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INTRABLOC

PNUC Vice President on Rehabilitation of Nomenklatura, Demonstrations

Budapest ROMANIAI MAGYAR SZO in Hungarian
29 Apr 90 p 1

[Interview with Karoly Kiraly, vice president of the PNUC [Provisional National Union Council], by Janos Gyarmath; place and date not given: "Threat of Civil War?"—first paragraph is ROMANIAI MAGYAR SZO introduction]

[Text] For the sixth day a demonstration is in progress, with ever-greater participation, on Tienanmen Square of Bucharest, where on 21 December last year masses of youth opposing the dictatorship were massacred. Today's demonstration is against the high positions in which members of the former nomenklatura can be found, and it has already divided Romanian society into several camps. Some support it fully, some oppose its aims, and many have other shades of opinion but remain neutral in the meantime. In what follows we interview Karoly Kiraly, vice president of the PNUC [Provisional National Union Council], on this subject. He is one of those who oppose the "power struggle of the streets," but one who can overcome his own past membership of the nomenklatura (some two decades ago).

[Gyarmath] Mr. Vice President, you just returned from a prolonged trip abroad, right into the thick of current events which have disturbed even the originally peaceful session of the mini-parliament. What are your views about the demonstrations and their goals, which also affect you personally?

[Kiraly] The events do not alter my position at all. You may recall that in our last conversation I stressed my agreement with Item 8 of the Temesvar [Timisoara] Declaration, i.e. that members of the former Communist leadership should abstain from the current power struggles. Matters are, of course, too complicated to be resolved with a simple stroke of the pen. The Communist nomenklatura has many shades, not all of whom supported the Ceausescu regime; some actually opposed it. At the same time, many of them have knowledge and experience which the country should not do without during this societal transformation. I thus agree with the resolution of the congress of the RMDSZ [Democratic Association of Hungarians in Romania] which rejects the principle of collective responsibility, meaning that the question of whether or not a person should have a role in the new society should be decided case by case.

[Gyarmath] A gap has appeared between theory and practice. Already in January objections were raised by the masses, newspapers, parties, and organizations against the "rehabilitation" of many former Communist leaders, and their installation in important posts. And it seems that this process has sped up lately. Then there are the trials which would not move from dead center, not to speak of the fact that to this day no one knows, in

Bucharest or elsewhere, who shot at the demonstrating masses. Many organizations and some of the youth may thus justly feel that they were deceived, that the Ceausescu clan is gone, but the second line is staying.

[Kiraly] This is all true. Society has become untrusting, because the Front delayed several steps, and slowed down countless processes. Unfortunately the Front and its allies are manipulating in the election campaign, and place too much emphasis on the momentary mood of the masses. They thus tried to make election capital out of ethnic tensions and conflicts as well as others. However, sooner or later people see through the smokescreen. Moreover the government, which of course was appointed by the Front, does not devote sufficient time and energy to the economic situation, and did not enact rules to increase productivity. Thus goods were not made available, and supplies should have improved radically, not just by percentage. However, one should not blame just the Front for the crisis, since they are not the only ones spoiling the soup. The opposition parties, especially the historic ones, are no knights in shining armor either. They do not count on getting suitable positions in a future parliament, thus they pull out all the stops to improve their lot. Their methods, however, are obsolete and often undemocratic. The left is no exception to this: Their problem is not having been able to rid themselves of Communist procedures. The political forces fail to realize that the country cannot be led out of the current crisis through the traditional ways of thinking. Thus, much of the populace abstain from the election campaign, I daresay out of disillusionment. They see no alternative, and do not basically agree with either party. In this situation, if they let the current leadership fail, it may lead to civil war. By declaring that they do not want Iliescu they have accomplished nothing but denial. What we now need, and what the state of the country demands, is to know what and whom we want. If not Iliescu, then whom? They reject Campeanu, but also Ratju. So then, who?

[Gyarmath] Does this mean that Romanian society is now at a dead end? Is there no way out of this situation?

[Kiraly] There is a way out of every situation, even the most difficult one. I must repeat that, unfortunately, what is happening on the street today embodies all the contradictions of Romanian society, reflects the political confusion that can be found in the government, the parties, and the mini-parliament. For let us not be naive: The conflicts surfacing dailing in the NSZIT [not further expanded] were taken out by some people, or some forces, to the streets, and kept alive there for days. It is also true that the temporary powers did not recognize the danger and could not respond at the beginning and begin a dialog. Yet fighting for power on the streets now is absurd, since in less than a month we shall be going to the polls. At this time it is the arguments, the political platforms, that should clash. Then it is the voter who should decide, not the streets, which can be manipulated, especially if there are no alternatives.

[Gyarmath] Shall I understand from this that you condemn the demonstrators?

[Kiraly] I condemn the demonstrations, not the demonstrators. Many of their demands are justified. I am only opposed to the form of their protest, since it harbors great dangers for the fate of the country, and could lead to irrepressible clashes. We have no need for those now, not to mention the fact that we cannot even guess at the outcome of the conflict. Thus I can only repeat that dialog is absolutely essential.

BULGARIA

Nationalities Situation Assessed

90BA0153A Budapest MAGYAR NEMZET
in Hungarian 21 Apr 90 pp 8-9

[Interview with historian Antonina Zheliaskova, by Gyorgy Szondi; place and date not given: "The Criminal Campaign; Bulgarians—Turks—Pomaks; Antonina Zheliaskova on Nationalities"]

[Text] One of the tests faced by Bulgaria's democratization process is finding a solution for the problem of the Turkish minority. There is considerable tension in the air. In order to clarify the issue, I turned to Antonina Zheliaskova, spokesperson for Bulgaria's National Reconciliation Committee, associate of the Institute for Balkan Studies and, as a well-known Ottoman historian, an expert on the topic. There was only a short time to obtain answers to questions I presented in writing, and I could not discuss the historical background of the issue.

[Szondi] Let us review the events in reverse order. How many Turks are presently living in Bulgaria? How many Pomaks? Who are the Pomaks?

[Zheliaskova] It should be made clear that for the past 20 years Bulgarian reference books have not been publishing any information concerning the number of ethnic Turks and Muslims living in Bulgaria. Therefore, even Bulgarian specialists have to turn to foreign sources, or use earlier data in attempting to arrive at their own approximate statistics. According to data provided by Bruk (Naselenie mira: Etnodemograficheski spravochnik, Moscow, 1981), there are 750,000 Turks living in Bulgaria. The unofficial figure for the same population is about one million, until the expulsion campaign of the summer of 1989, while the number of Pomaks is said to about 300,000.

The Pomaks are descendants of Bulgarians who were converted to Islam during the time when Bulgaria was occupied by Ottoman Turks. They speak Bulgarian and in their everyday lives they have retained a number of Christian traditions and customs. From 1878, when Bulgaria was liberated from Turkish occupation, until today the governments of Bulgaria have been inconsistent in treating these fellow Bulgarians, who are modest, diligent, and undemanding people who desire only to be

undisturbed in their commitment to their Moslem faith. Although their Bulgarian origin is unquestionable, the violence used against them by the former bourgeois governments and the communists alienated them from society. Today this alienation is demonstrated by the fact that some of the Pomaks are becoming Turkish; they are consciously developing a Turkish identity for themselves. Members of another segment believe that, even if their origins are unclear, their forerunners were Muslims long before the Balkan peninsula was conquered by Ottoman Turks. And there are those who feel that the Pomaks belong to the Bulgarian people. The first campaign to compel the Pomaks to replace their Turkish-Arabic names with Christian ones occurred in 1912, followed by others in 1937 and 1941, with the most recent forced name change drive taking place in the 1970's.

[Szondi] Last year 360,000 ethnic Turks left Bulgaria. Later, some 200,000 of these returned, and now about 2,000 of them are leaving for Turkey every day. Are these figures correct?

[Zheliaskova] Indeed, during the summer and fall of 1989, 360,000 Bulgarian Turks left the country. As of now, some 160,000 of these have returned. Since victims of "the rebirth process" will be able to reclaim their old names until the end of this year, we expect many more families to come back.

It is not true that 2,000 people are leaving Bulgaria every day for Turkey. There is always a long line in front of the Turkish embassy in Sofia, and there may be as many as 200-300 people leaving every month. However, it should be made clear that most of these do not intend to settle in Turkey; they just want to take advantage of their passports to trade on both sides of the border, to visit relatives, or to try their luck as seasonal workers. Of course, we must realize that a certain emigration trend will continue to exist for some time. After all, Turks still do not feel secure in Bulgaria, especially after the shock of having to witness the January demonstrations against them.

[Szondi] What is the situation now? What is life like for those Turks who have stayed in Bulgaria, and for those who have returned there? Do they have places to live in, are they employed?

[Zheliaskova] The situation of Turks in Bulgaria could be called extremely bad. Those who returned from Turkey are without housing and employment. The country's grave economic situation means that the authorities and opposition parties and movements alike will fail in their attempts to find a solution to the many intertwined problems which literally place a fatal burden on the Turkish population. As a result of public pressure, the government thus far has only managed to solve the problem of students: It has decreed that they should be readmitted to secondary and post-secondary institutions. Very slowly and with considerable difficulty, perhaps the rest of the Turks will also see the resolution of

their problems with employment, acceptance, and housing. It is ethnic Turkish medical workers and educators who seem to face the greatest problems: Residents of mixed regions are suspicious of physicians, nurses, or teachers who are of Turkish descent. Conversely, the Turks themselves are afraid of taking their places in the hospitals: They are worried of provocations, a situation that could enflame interethnic hatreds and lead to people taking the law into their own hands. In spite of this, I feel that the issue of unemployment will be slowly resolved, especially since the government has recently decided to provide unemployment assistance to returning Turks for nine months.

Settling the problem of housing is much more difficult. Many housing units were previously sold and they were made available to needy families. A possible decree returning apartments and houses to their returning Turkish owners could evoke a wave of resentment among Bulgarians who are themselves living in dire circumstances. At the moment, there are attempts to use excess amounts from the enterprises' housing budget, and the state also may aid in the construction of housing by providing loans. Nevertheless, it is a fact that this is a very grave problem; solutions will not be easy to find, and the situation is capable of exploding.

[Szondi] What is the explanation for the series of demonstrations that took place earlier this year? What is the relationship between Bulgarians and Turks?

[Zheliaskova] There is no doubt that the mass movements that took place earlier this year were provoked by leaders of the local nomenclature, who were shocked to hear that the Central Committee decided in December to reestablish Turkish names. The reason for this is that local leaders, party functionaries, and members of the state security organs were actively participating in the "process of revival," [the re-Bulgarization of ethnic Turks]. Naturally, local authorities saw that process as an opportunity to stage a putsch against the reform wing in the Bulgarian Communist Party, in order to preserve their prerogatives and the wealth they had acquired through their positions. Residents in the ethnically mixed regions easily fell victim to such provocation, because the Zhivkov regime "took care" to gain their complicity during the violent acts and atrocities of the 1984-89 "campaign of revival." In the communities of Kardzhali and Haskovo, even the women were specifically mobilized. They patrolled in groups of three, watching if anyone spoke Turkish, listening for Turkish music, looking for traditional Moslem costumes, and issuing fines or other humiliating penalties. It was during the expulsion period in the summer of 1989 when the Bulgarians' involvement in this criminal campaign became the greatest. That was when, intentionally, accidentally, or under duress, many Bulgarians profited from the flight of Turks. The Bulgarians occupied the Turks' houses and their jobs, they received pay raises, purchased Turkish properties at cut-rate prices, transported the refugees and their belongings to the border at rates inflated tenfold, etc. In other words, they took advantage

of the condition of utter lawlessness that prevailed in the country. Now they are worried that they will have to account for their actions. In the ethnically mixed regions, there is a complete lack of trust among the two ethnic groups.

[Szondi] Give us a few more details of the "process of revival," if you please.

[Zheliaskova] The purported goal of the "process of revival" was to create a "one and unified Bulgarian nation." Name changes were accomplished with the use of coercion and the cooperation of the entire repressive state machinery. There were even some fatalities. They even found an ideological explanation, which was based on the thesis that in Bulgaria every Muslim is of Bulgarian descent. Naturally, there are some Islamized and Turkified Bulgarians living together with Turks who settled in from Anatolia during the period of Ottoman colonization, but by now it is impossible to distinguish the natives from those who came more recently. In fact, at the end of the 20th century this has no real significance. The only thing that should be taken into consideration is that these people consciously identify themselves as members of a religious community that is distinct from the Bulgarian in an ethnic and cultural sense. The campaign had the obvious results: It created extremely grave socioeconomic problems, incited conflict and enmity among ethnic groups, and completely destroyed ethnic and religious tolerance, which used to be characteristic of Bulgarians.

[Szondi] Is not it paradoxical that when certain classes and certain groups show animosity toward ethnic Turks, then in fact this feeling is aimed at Bulgarians; after all, as recently as last year the official view was that most of the ethnic Turks are descendants of Bulgarians?

[Zheliaskova] No, because Bulgarians never believed the official thesis, agitation, and propaganda that all Turks in the country are Islamized Bulgarians. There were even a series of jokes and anecdotes related to this issue, such as the one involving "Turkish coffee" as opposed to "Islamized Bulgarian coffee"....

[Szondi] Following the questions concerning the present and the recent past, please share with us your views concerning the post-1878 history of Bulgaria's Turks.

[Zheliaskova] This is not an easy question to answer: It is so complex, someone should write a scientific essay on this topic. Optimistic Bulgarian historians used to emphasize that during and after the Russo-Turkish war the ethnic Turkish populace left Bulgaria; those who remained "knew that this was their native land, that is, they were Islamized Bulgarians." It is true that between 1877 and the middle of the 1880's there were several serious emigration waves in which a great many people moved to Turkey. It can be shown with considerable accuracy that, during and immediately after the armed struggle, this emigration involved some 130,000-150,000 Turks and others of Moslem faith, especially in the western and central regions of northern and western

Bulgaria. However, after the signing of the peace treaty, some 80,000 of these returned. In the subsequent period, Bulgarian authorities, in principle, did not hinder the free emigration of ethnic Turks. Taking into account the expulsion waves that occurred after 9 September 1944, as well as the natural demographic fluctuations, it can be stated that in Bulgaria ethnic Turks have always represented about ten percent of the population. However, from 1878 to the present the majority of Bulgarians have strived to keep this ten percent at a lower social, economic, and cultural level. Of course, certain retrograde Islamic dogmas and customs had a role in this, but this was overshadowed by the attitude of the nation and the state toward this minority, members of which were thus relegated to be outsiders. In order to compensate for their low social status with higher incomes, they tended to work in strenuous occupations, such as mining, construction, agriculture, or tobacco cultivation. Few of them are members of the country's intelligentsia, and their participation in the higher leadership has always been minimal. During the 1950's, for example, there was only one Turk among the members and auxiliary members of the party's Central Committee, and none in the Politburo. In 1953, of the 249 representatives there were only 10 Turks, and their role was largely formal in nature.

The sociopsychological alienation of Bulgaria's ethnic Turks notwithstanding, until the 1984 campaign of name changing there was no animosity between them and ethnic Bulgarians either in the mixed population villages and towns or in regions where they represented more compact units among the Bulgarians. On the contrary, the rule was neighborly mutual respect and dignity. This is why we hold the communist leadership, both at the party and at the governmental level, responsible for consciously and purposefully preparing and implementing (between 1968 and 1989) the series of political and moral crimes to which they referred as "the process of revival." The damages are immeasurable, and in certain regards these crimes even surpass that of destroying agriculture through forced collectivization.

Foreign Language Weekly Details Zhivkov's Fall

90BA0200A Sofia SOFIA NEWS in English
7-13 Jun 90 p 5

[Article by Nikola Krustev: "Todor Zhivkov's Resignation: The Story Behind the Story"]

[Text] Yordan Yotov and Dimiter Stanishev were household names in Bulgaria's pre-November 10, 1989, politics. The former was a full member and the later an alternate (non-voting) member of the Politburo, the once omnipotent top echelon of the Communist Party. Both were also secretaries of the now-defunct Central Committee of the party—an institution that stood above the law and above everything else in Todor Zhivkov's totalitarian kingdom. Both men are now retired. Both were said to have played a leading role in bringing down Zhivkov, yet both have been refusing to go on record

about these events. SOFIA NEWS staffer Nikola Krustev was the first reporter they agreed to talk to. The Communist orthodoxy of both men is plain. What matters more is their account of the facts and their chronology. Following is a summary of the two men's story:

October 24, 1989:

Petur Mladenov, member of the Politburo and Minister of Foreign Affairs, addresses an open letter to the Communist Party's Central Committee, in which he blames Todor Zhivkov for the crisis in the country and its international isolation, and charges him with gross abuse of power.

YOTOV: "That letter objectivized the awareness of how badly a change was needed. It shocked the mind with its outright sincerity, its frankness, and the way it put very plainly the question for change."

STANISHEV: "At first I had no idea of that letter, because Petur Mladenov had sent it to the members of the Politburo. The Politburo had convened without the secretaries, and had, predictably, adopted a negative position on the letter. Attempts were reportedly made to convince Mladenov into withdrawing it and to cover up the whole matter..."

October 26, 1989:

While the CSCE Meeting on the Environment is in session in Sofia, attended by delegates from practically all European countries and the United States, activists of the environmental movement Eco-glasnost try to stage a rally in the small downtown public garden fronting the Crystal Cafe. The police disperses them with brutality—an act that would receive broad international coverage and condemnation. The clampdown also sheds the last vestiges of any illusions as the real intentions of the Zhivkov brand of perestroika.

November 4, 1989:

The Politburo meets on the eve of the Day of the Russian October Revolution. After the meeting, Yotov, Stanishev and Defence Minister Dobri Dzhurov discuss the need to confer on their own and map out future steps.

November 5, 1989:

The three meet in the morning at Dzhurov's summer house and conclude that Zhivkov's removal from power is the only way of pushing the country towards radical reform. As the man closest of the three to Zhivkov, and at the same time as the man with real power, the army, in his hands, Dzhurov is entrusted with the task of arranging a meeting of the three with Zhivkov, at which they would try to persuade him to resign.

November 7, 1989:

Dzhurov meets Zhivkov at the Soviet Embassy reception in honour of the revolution and arranges a meeting for the following day.

November 8, 1989:

Dzhurov, Yotov and Stanishev arrive in Zhivkov's office at 10 a.m.

YOTOV: "The conversation was very difficult, and lasted about an hour and a half. Dzhurov spoke first and spoke the longest. We told Zhivkov that the country was entering a very profound and very acute crisis, that there was a growing discontent with the Central Committee, the Politburo, and especially with him. We guided the conversation to a point where he was the first to say the word 'resignation' and offered to resign."

STANISHEV: "All three of us spoke at one time or another, but we were unanimous on one point: the floodgates would have to be opened by his resigning from the post of General Secretary. Zhivkov had a notepad and a pencil at hand, but he wrote down nothing. Only the hue of his face kept changing."

Ultimately, Zhivkov agrees to have the matter of his resignation debated by a plenum of the Central Committee, though not at the one already scheduled for Nov. 10, but at a subsequent one. Stanishev's proposal for a Politburo meeting at 5 p.m. on the following day is accepted.

November 9, 1989:

Dzhurov and Yotov find out that the security and police forces have been placed on alert since the night before, and perceive in this a Zhivkov move to ward off a coup attempt. Both see an urgent need to meet with Stanishev and discuss their further action before the Politburo has convened. Zhivkov calls in Yotov at 11 a.m. and asks him for his personal view of a possible resignation. Yotov replies that a resignation would only benefit the party and the country. When Dzhurov and Stanishev arrive in Yotov's office at 4:15 p.m., Dzhurov says that he has an upcoming appointment with Zhivkov—apparently Zhivkov will be trying to drive a wedge between the defence minister and Yotov. Yotov heads for Zhivkov's office and enters it at 4:20 p.m.

YOTOV: "I went in, I sat down, and he turned to me: 'Listen, Dzhurov has been moving. He is obviously up to something.' I did not wait to hear what he thought Dzhurov might be up to, because I already knew that he would be coming in any moment for his appointment at 4:30."

Dzhurov, unannounced, enters the office on the dot of 4:30 and asks Zhivkov to call in Stanishev as well, so that they can continue the conversation from the day before. Driven in a corner, Zhivkov reluctantly agrees.

STANISHEV: "When I walked in, Zhivkov took a look at me, his complexion changed, but he did not say anything. I sat down. He must have said to himself that since Dzhurov and Yotov were refusing to talk to him in my absence, that was an obvious sign that I must have Moscow's backing. There was no Moscow behind me,

actually, but Zhivkov's mental set-up could obviously find no other plausible explanation."

Meanwhile, on Nov. 8 and 9 the troika have ensured for themselves the backing of several other top-ranking party functionaries. Nacho Papazov, Georgi Atanasov, Emil Khristov, with a few others still wavering. The conversation with Zhivkov, which ends at 1700, settles things finally. The troika overcomes Zhivkov's reluctance and forces him to agree to submit his resignation at the Politburo meeting supposed to begin at 5. When Zhivkov does so, he also nominates Georgi Atanasov to replace him. The then-Prime Minister, however, backs down: "I'd rather be a good Politburo member than a bad General Secretary," he says, and nominates Petur Mladenov instead. At first Milko Balev and Dimitur Stoyanov refuse to accept Zhivkov's resignation, but ultimately join the majority. Nearly unanimously, the Politburo decides to nominate Mladenov to the General Secretary's post.

November 10, 1989:

The agenda for the plenary meeting of the Central Committee is amended, and the delegates are told the reason. Zhivkov, having offered to resign, has nevertheless retained the right to make the opening speech. High on uppers, he delivers a powerful and well-argued statement using no notes—a last-ditch attempt to convince the Central Committee to his ability to work, and eventually to swing the vote. As he will find out shortly, he has been living far from reality for too long. The plenum votes unanimously to accept his resignation, and elects Petur Mladenov by an overwhelming majority.

PS: Both Yotov and Stanishev requested that their differences over certain major details be struck off the record, and this writer has done so, albeit with reluctance. The third man, probably the pivotal figure in these events, General Dobri Dzhurov, continues to be involved actively in politics and has so far refused to discuss the matter. His story, if ever told, will probably put the final touches to the picture of Zhivkov's fall from power.

Government Monthly Examines Role of People's Councils

Relationship With Economic Enterprises

90BA0187A Sofia NARODNI SUVETI in Bulgarian
Feb 90 pp 21-22

[Article by Tsvetka Stoencheva: "Municipality-Company; Better Chances for the Encounter?"]

[Text] The basis for the reorganization of the people's councils also as a center that would coordinate and stimulate the development of production and nonproduction areas and the protection of the environment is contained in Council of Ministers Letter No. 28, dated 12 June 1989, and the Regulation on the Self-Government of Territorial Communities.

As we know, the basic functions of the municipal people's council are the following: economic-organizational; cultural-educational; ecological; and ensuring mobilization readiness and maintenance of public order. Their combination requires a new approach also to problems of the budget. Currently, the municipalities receive withholding from all companies and branches located on their territory, whereas those whose production bases are less developed are given subsidies to the extent required for their legally stipulated upkeep. Withholdings from income above that level for municipalities with a strongly developed economy in favor of the state budget creates, in my view, a number of contradictions. Some of the funds are redirected into covering the cost of territorial units with limited financial opportunities. Their total appropriation, however, deprives the "richer" municipalities of resources for their socioeconomic development. Further, in municipalities with an extensive number of industrial projects, the natural balance has been disturbed and additional expenditures for its restoration become necessary. In the large industrial centers, the housing problem is grave, the morbidity of the population is higher, and communications require relatively higher investments. If the existing situation becomes permanent, the municipality will not be interested in assisting industrial companies to increase their incomes. Although the overfulfillment of the plan does not reduce the budget assistance to those that, in accordance with the planned computations, cannot meet their costs, there is no guarantee that the following year such an overfulfillment will not be considered a possible planned income. For profit-showing municipalities, this means that these funds will be appropriated; in the case of the economically less developed ones, it will mean that the amount of budget assistance will be reduced.

That is why I believe that we should convert to withholding a specific percentage for the Republic's budget, which would not exceed one-half of the income over and above maintenance standards. Partial appropriation should be used by setting a specific amount of time after which state control over the municipal budget will be converted to a purely regulated basis without withholdings and aid or, if such exists, they would apply to projects of national significance.

The question is legitimately posed of the duration of such standards, which would enable the municipal budgets to be projected for several years into the future. This will facilitate the work of the Ministry of Economics and Planning in regulating its budget and will free the initiative of the local managements in terms of the thrifty use of funds and in developing new revenue sources. A positive result could be expected also if the regulated maintenance requirements are assessed not only on the basis of the functional type of settlement but also the possibility of changes in this status within the next five years.

In defining the plans, amending them, or relieving companies of a given type of tax, the central authorities, in my view, should seek the view of the municipal people's

councils. A successful method for the preliminary discussion of planning and current management decisions is the "councils of directors" of industrial enterprises, which have already been set up in some areas. Such a consultative authority of the municipal people's council comes closer to practical realities. Contacts among economic managers with a view to launching joint initiatives become more direct. Contractual discipline is strengthened, and reciprocal assistance among enterprises within the municipality is increased.

As to the creative approach in the planning work of municipal people's councils, the need for it will not be eliminated, whatever regulations and instructions may exist. In my view, the concentration of forces and efforts on the development of the various sectors within the municipality should be resolved locally, without expecting instructions "from above," taking into consideration the natural features and the locally available raw materials and manpower.

In my view, the further development of planning activities within the structure of municipal people's councils should include a specialized information department that would undertake to standardize all references, reports, and instructions. In this manner, the primary accountability units will be relieved from handling duplicating data, while the planning authorities will have direct access to all available information, improved in its dynamic and structural aspects. A personal computer, linked through an information network to the basic functional units within the council, would facilitate communications with said department and reduce personnel to a minimum. The manager of the "information department" could also act as a spokesman for the municipal people's council in its relations with the local mass information media and ensure that forthcoming assignments, resolutions, and results are made public knowledge. This new unit will not take over the functions of the existing information systems but will be integrated with them, systematizing and adding to the already obtained information, and work to improve its quality and analytical nature. This department should have a bank of not only accountability but also of strategic and regulatory data, a program and a planned information of municipal importance in order to be able to help the companies in their planning activities.

I believe that we should also reassess the assignment of activities and the rights and responsibilities among the existing functional units within the organizational structure of the municipal people's councils. Planning and economic work should be done under a single methodical guidance. I believe that, both in companies and in people's councils, the planning authorities should deal above all with formulating and updating strategy and preliminary developments for the new period, rather than deal with current reports and information. Such activities should be fully consistent with the long-range concepts of the marketing units; resource coordination should be established with draft contracts long before the

end of the current year. Adequate time should be provided for the development of more than one option of the draft plans of the companies with different production structures. With the help of the territorial technological combine, information systems and technologies and options available to all industrial companies in the respective municipality could be optimized on the basis of the standards and indicators of the average annual plan for the socioeconomic development of the municipality in such a way that the sum of the efficient plans will result in an efficient planning system that, subsequently, would be further completed through discussions in the specific units and in the course of coordination discussions.

Such an approach to the problem would help the municipal people's councils also to become a center for study-analytical, evaluation, development, and coordination planning activities. This would involve the use of the entire cadre potential of the planning departments of industrial companies, combined in large groups and commissions of experts (operating on the basis of target financing contracts).

Not least, unity of objectives and combining interests (current and long-term) of all units participating in this process would be required in the formulation and coordination of realistic and optimal plans by companies and territorial communities.

Balancing Municipal Budgets

90BA0187B Sofia NARODNI SUVETI in Bulgarian
Mar 90 pp 22-23

[Article by Boris Grozdanov, docent, candidate of economic sciences: "Municipal Budgets and Self-Management; Is There a Balance?"]

[Text] The Regulation on the Self-Management of Territorial Communities stipulates that the oblast people's council will adopt a plan for socioeconomic development of the oblast that will grant freedom of activities of companies and other organizations in the formulation of plans for the socioeconomic development of municipalities (Article 17, paragraph 3).

This is also a prerequisite for the development of a consolidated oblast budget. Such a budget could act only as a projection, combining the budgets of the municipalities. It should include the upkeep of the oblast people's council and the financing of activities of intersettlement significance. The budget funds should come from Republic and other sources as determined by legal acts. In my view, it would be expedient for the budget of the oblast people's council to also include part of the planned increase of income in the budget of the municipal people's council. This will avoid payments by municipalities to the Republic budget that, in turn, grants subsidies to meet the needs of the oblast people's council. This would significantly shorten the processing of such funds. Furthermore, it will provide better conditions for instituting efficient control and coordination by the council, concerning the specific expenditure of funds on oblast territory.

Such a variant would not violate the self-management of municipal people's councils. The councils themselves will draft their own budgets on a legal basis, in the course of a discussion with the oblast people's council, excluding the use of control figures. On the other hand, this will substantially reduce the obligations of the Ministry of Finance in terms of drawing up the combined budgets of municipalities on the national level and the balancing of local budgets. In my view, this will improve the mechanism of budget control, which will include only the consolidated oblast budgets.

We should also consider the possibility of separating such budgets from the state budget. This would create prerequisites for strengthening the economic independence of the oblasts and reduce the need for transferring funds from one oblast to another.

In our country the upkeep of municipalities is still difficult to organize. That is why I believe it would be expedient to create conditions for introducing such self-support on the oblast level. To this effect, however, it would be necessary to eliminate subsidies as the basic source of the budgets of oblast people's councils. Such subsidies should be granted only in special cases, independent of the activities of the oblast people's council; some of the stipulated payments to the municipal people's councils by companies and other economic organizations would be channeled into the budgets of the oblast people's councils to finance intersettlement projects.

To increase the income of the people's councils, we must seek ways of locating existing reserves. Currently, companies and other economic organizations contribute to the municipal budgets 10 percent of their balance sheet profits. In addition to production organizations, however, there are other organizations that establish relations exclusively with the Republic budget without withholding payments for the municipal people's council. Establishments within the financial-credit system work on the basis of self-support, and their employees, along with the workers and employees of companies and other economic organizations, benefit from all improvements in the municipal infrastructure. Furthermore, the people's council carries out certain activities that help such institutions. Thus, for example, its financial authorities keep records of the citizens' property, collect insurance payments for private cars, and so forth. It would be logical that, as a "reward," some of the profit earned, shall we say, by the State Insurance Institute, be deposited as income to the local budget. This could be achieved either as making regular payments or on the basis of establishing a specific sum to meet mutual interests.

In my view, the Ministry of Finance could allow that such payments be made also by the branches of the State Insurance Institute, the State Savings Bank, and the Bulgarian National Bank. Reciprocal relations could be established also without any specific orders by signing contracts between the municipal people's council and the institutions within the financial and crediting system. This would contribute to the broadening of the financial base of the

municipality. It will strengthen the self-support and self-financing of the municipality and facilitate redistribution processes between the state and municipal budgets.

The Regulation on the Self-Management of Territorial Communities specifies the functions, rights, and responsibilities of the mayoralties as well. It is indicated that the mayoralty formulates its budget on the basis of its own revenue and maintenance and development expenditure rates. However, this does not enhance the mayoralty's autonomy and self-management because Article 1 of the regulation stipulates that the mayoralty is an agency of the municipal people's council. Furthermore, Article 5 (2) stipulates that taxes, fees, and fines collected from the population and granted by the municipal people's council go into the mayoralty's budget. In my view, this means that the municipal people's council will determine the type of activities to be financed and income to be received by the mayoralty. This deprives the mayoralty of the possibility of determining independently its budget revenue and expenditures. It also limits the mayoralty's initiative in terms of improving the organization of financial activities. This particularly applies to the larger villages and to town mayoralties.

In my view, it would be expedient to amend the text of Article 2 in the sense that the mayoralty is an agency of people's self-management within the settlement. This does not mean in the least that its budget would be separated from the municipal budget. Conversely, by having greater independence, the mayoralty would be able to draft a realistic budget that will not hinder the execution of the consolidated municipal budget.

The mayoralty's budget should be drafted independently, on the basis of a long-term development projection. In my view, this should apply to all settlements. Otherwise, the territorial units will continue to develop chaotically, in accordance with the wishes of the superior management authority. To prevent this, it would be necessary to make use of scientifically combined rates, differentiated on the basis of the functional types of settlements, determining the necessary expenditures to satisfy the needs of the individual residents.

List of Topics, Data To Be Considered Official Secrets

90BA0189A Sofia DURZHAVEN VESTNIK
in Bulgarian 17 Apr 90 pp 11-12

[Text]

List of Facts, Information, and Objects Constituting State Secrets of the Bulgarian People's Republic

Information Related to the Country's Defense

1. Information on the location (deployment) and moving (redeployment), actual names, organization, regulation, and actual size of the personnel, armaments, and systems for controlling the Armed Forces of the country, the individual types of Armed Forces, branches, and special

troops, large strategic formations, large units, special regime subunits, and targets that are not included in the official exchange of data based on the country's international obligations.

2. Information concerning the condition, dimensions, and capacity of military airfields in the country, projects and facilities for anti-aircraft defense, naval bases, fleet base and control centers, coastal defense, lighthouse and hydrographic services of the Bulgarian People's Army.

3. Information on military transports and the availability of fuels and lubricants and rear reserves of the country's Armed Forces.

4. Information concerning concepts adopted by the Armed Forces on strategic, operative, and tactical aspects of waging war and combat operations and documents in which they are described, as well as new experimental prototypes of armaments and combat materiel.

5. General information on allocated and expended material facilities for the needs of the Bulgarian People's Army, increases or decreases of stocks of such facilities, information on depots and bases for armaments and ammunition (not included in the official lists based on international agreements), from large units on up.

Information on imports and exports of armaments, combat materiel, and ammunition.

6. Plans, information, and summed up data on the condition of operative preparedness of the country's territory and the building of new projects for military purposes.

7. Information on accidents and breakdowns in armaments and combat materiel of special regime subunits and projects.

8. Documents on confidential talks, treaties, and agreements with other countries, as defined by the National Assembly.

9. Summed up information concerning young people subject to and suitable for military service in the Armed Forces of the Bulgarian People's Republic and on military training and the retraining of reserves.

10. Information on operative and mobilization plans, combat and mobilization readiness of the country's Armed Forces and the individual branches of the Armed Forces, arms and special forces, military projects, long-term plans, directives, reports, acts, and accounts relative to their operative, combat, and mobilization preparedness.

11. Information on the operative and mobilization plans and estimates, projects and measures related to securing the country's defense capability in terms of state administration, industry, transportation, and communications.

Information, plans, and documents concerning the organization of dispersal and evacuation on the national level and by ministry and department.

12. Information on the size, composition, status, deployment, and assignments of mobilization reserves for all branches of the Armed Forces and individual branches, arms, and special forces, formations, large units, and special regime subunits and targets.

13. Topographic and special maps for military purposes, maps of cities, topographic-geodesic maps on a 1:100,000 scale or larger, and copies of the same.

Gravimetric maps, maps of elevations of the quasigeode, and deviations from the vertical on all scales and the lists of mean anomalies of gravity power acceleration.

Catalogues, lists of coordinates, and coordinates of geodesic, astronomic, gravimetric, and leveling points with an accuracy of 150 meters, as well as materials that allow the determination of coordinates with the same degree of accuracy within the unified system of coordinates.

Initial data on state coordinate systems, and ties between them and other unified coordination systems. Results obtained from the use of independent ways of computing coordinates with an accuracy of up to 150 meters. Catalogues on the values of geomagnetic elements of the territory and the territorial waters of the country, and maps of the same elements with isolines for angle components with 10-minute intervals or shorter, and intensities across under 10 NT (nanotel), drawn with precise interpolation, as well as other documents that make obtaining geomagnetic elements with the indicated accuracy possible.

Results of astronomical observations and the processing of observations of earth satellites for geodesic purposes, conducted by stations linked through unified systems of coordinates.

Aerial films, aerial photographs, and space photographs on a 1:300,000 or larger scale on which special regime projects have been photographed; photographs of the earth for topographic purposes; photographic maps; photographic charts; photographic designs; and panoramic or perspective photographs of military targets.

Land survey and other topographic charts on a scale ranging from 1:2,000 to 1:5,000 and copies of same with values of coordinates issued by the State System of Coordinates plotted outside frameworks.

14. Summed up information on the topography, the nature of the sea and river bottoms, and elements that determine the hydrological system of coastal waters (with the exception of fairways open to international navigation).

Data on stipulated areas for the crossing of Bulgarian rivers by troops.

15. Coordinates of electric power plants, dams, hydroengineering installations, treatment stations, railroad junctions, and tracks of main water conduits, gas and petroleum pipelines, and water sources for large cities and industrial centers, defined with an accuracy of up to 150 meters.

16. Information on discoveries, inventions, rationalization suggestions, research and experimental projects, and technological products in the areas of science and technology, related to the country's defense.

Information Related to Foreign Policy and Internal Security

17. Information in the area of foreign policy, the publicity or knowledge of the same that could damage national security or cause harm to the country's positions in its talks with another country.

18. Information and documents concerning the foreign political and military condition of other countries, based on unpublished data, the dissemination of which could threaten the country's national security.

19. Summed up information on the composition, combat readiness, special training, combat capability, and deployment of cadres, and material-technical and financial support of the subunits of the Ministry of Internal Affairs (excluding the People's Militia and the fire-fighting service) and of intelligence services of the Bulgarian People's Republic.

20. Information on the organizations, methods, and facilities in executing specific assignments by the counterintelligence and intelligence services of the Ministry of Internal Affairs, the criminal and economic militia of the Bulgarian People's Republic, and data on their special facilities.

21. State ciphers, aids, installations, and means of working with them and coded materials.

Information on the breakdown of frequencies for radio communications of the specialized units of the Ministry of National Defense and the Ministry of Internal Affairs.

Economic Information

22. Confidential information and documents of CEMA and other intergovernmental agencies or related to bilateral or multilateral agreements.

23. Information on the development, mastery, production, and marketing of new models of armaments, combat materiel, and ammunitions, and the creation of mobilization capacities for their production by the national economy.

24. Information on the organizational-technical program defense of automated control and information systems of ministries and other departments and higher state and management authorities.

25. Information on state material reserves and mobilization reserves of the Bulgarian People's Republic.

26. Information on the national balance of stocks of radioactive and rare metals and the production of radioactive metal concentrates.

Information on exports and imports, in physical terms, of radioactive and rare metals.

27. Order and means of printing currency by the Bulgarian People's Republic.

Remark. The special regime subunits and targets are defined in a special list issued by the minister of national defense or, correspondingly, the minister of internal affairs.

The list was adopted by the Ninth National Assembly at its 16th session, first sitting, held on 28 March 1990. It was stamped with the state seal.

St. Todorov, Chairman of the National Assembly
Bulgarian People's Republic

CZECHOSLOVAKIA

Christian Democratic Movement on Goals, Activities

KDH Monthly

90CH0237A Bratislava BRATISLAVSKE LISTY
in Slovak May 90 p 1

[Editorial by Rudolf Lesnak: "BRATISLAVSKE LISTY Into Third Stage"]

[Text] The history of the BRATISLAVSKE LISTY [BL] journal is short yet colorful. Within the span of less than three years it presents itself to readers in what is already its third look. The first five issues came out in the 1988-1989 period of increasing political persecution as illegal samizdat, yet demanding official registration and carrying the full name and address of the publisher, Dr. Jan Carnogursky. Jan Langos, then the BL editor, printed on its pages a number of substantial articles and studies on key socio-political topics by authors belonging to diverse schools of thought, who already then offered in them solutions to a variety of problems which are topical today as well (as J. Carnogursky notes in an introductory remark to the present BL issue).

This truly pioneering mission of an illegal journal was followed up after our democratic revolution by ten issues of BRATISLAVSKE LISTY as a weekly, prepared and issued between February and April 1990 once again under still modest conditions. They carried programmatic materials for the formation and orientation of the Christian Democratic movement [KDH], as well as information on the activities of its clubs and units. Thus the weekly served many functions of a periodical, until the appearance in mid-April of this year of the first issue of SLOVENSKY DENNIK, the KDH newspaper. As a monthly, BRATISLAVSKE LISTY may therefore be able to return in a

certain sense to its original character, albeit under incomparably different circumstances and conditions including a broader and looser concept and better technical equipment. Unlike the KDH daily SLOVENSKY DENNIK with its full spectrum of journalism, BRATISLAVSKE LISTY should be the movement's journal of ideas and theory, making a substantial contribution to the vital issues of Slovakia's past, present, and future. This means that it will offer its pages to views and attitudes on a variety of issues involving society as well as the individual, politics as well as economics, ideology, and culture, but from a Christian point of view. Of course the goal will be to search for solutions to these problems, not any kind of "setting the line and guidance" as was the practice under the totalitarian system. At the same time this presupposes discussion and exchange of views as well as polemics with the participation of publicists and experts in various fields and lay readers in shaping the journal, and not only from the ranks of KDH supporters.

As follows from the above, the core BL materials will consist of discourses, commentaries, and critical analyses on the subjects mentioned earlier. Hence the journal addresses primarily the more demanding reader with professional or lay interest in these issues, who thinks about them and is prepared to engage himself personally in their resolution. But we do not want to talk about them only in an academic and general fashion; we want an approach which is to the point and lively, passionate as well as possessing of humor. Therefore we hope that our journal will interest all individuals and communities striving for a full flourish of Christianity and democracy in our life.

Many readers living outside Bratislava are put off by our journal's name, as if it was aimed only at Bratislava residents. Of course this is not the case. The first and principal reason was to preserve the journal's original name, its direct follow-up on past volumes and continuity with its concept as well as its publisher. Connecting the name of a journal with the place of its publication, something quite common here as well as in the world, does by no means define its thematic area or its intended readership. We will exert ourselves the more to ensure that the content and orientation of BRATISLAVSKE LISTY attracts not only this city's reader to "appropriate" it as their own. In this sense we await cooperation and "feedback" from all BL readers, so that the journal may be able to carry out its demanding mission in the spirit of the ideals of Christianity and democracy.

KDH Contacts Abroad

90CH0237B Bratislava BRATISLAVSKE LISTY
in Slovak May 90 p 3

[Note by Jan Carnogursky: "Our Premises and Goals"]

[Text] The Christian Democratic movement [KDH] in Slovakia is a recognized partner of similar parties and movements in Europe. To express the recognition of our movement the European Union of Christian Democrats established its secretariat for Central and Eastern Europe in Bratislava. It is the first Central European institution

with the seat in our capitol. The European Democratic Union, the supreme organization of the European Christian and democratic parties, offered us membership. We have accepted the offer and in the summer of this year we will be formally accepted into the Union. By virtue of our Union membership we will be able to cooperate more effectively with Christian Democratic parties in Western Europe, as also with governments in which they are represented. Our movement is not just planning a return to Europe. We are already now making it a practical reality.

GERMAN DEMOCRATIC REPUBLIC

Interview Details Stasi's Terrorist Links

90GE0194A East Berlin NEUES DEUTSCHLAND
in German 23-24 Jun 90 p 9

[Interview with ex-Lt. Gen. Gehart Neiber by Rainer Funke and Rene Heilig; place and date not given: "What Did It Yield, General?"—first two paragraphs are NEUES DEUTSCHLAND introduction.]

[Text] MfS [Ministry for State Security] and RAF [Red Army Faction]—two groups of three letters, two abbreviations of symbolic importance. Both "institutions" are in the headlines of the world press. For years, each has been there on its own, but for some weeks they have been mentioned in close connection with each other. The former Ministry for State Security helped suspected terrorists of the Red Army Faction go underground who were sought in the FRG. At press conferences in the GDR, Interior Minister Diestel was able to report the successes of his detectives in their criminal investigations. ND [NEUES DEUTSCHLAND] asked experts from the Ministry for Internal Affairs for an interview. At first, the request was granted—then they backed down. As late as Thursday morning, Detective Superintendent Neumann was willing to check as to whether there was any "new information about the investigation" to be disclosed. A few minutes later came another refusal—this time by the press spokesman of the Criminal Investigation Office.

Subsequently, Thursday morning, we decided to seek out an expert from past days. Fully cognizant of the fact that his former activity is the cause of many accusations, we spoke with ex-Lt. Gen. Gerhart Neiber, one of the deputies of former State Security Chief Mielke.

[NEUES DEUTSCHLAND] Mr. Neiber, we would like to apologize to you because the information passed to us from a semi-official source to the effect that you had gone to the West, is obviously false. You live, as you always have, in Berlin—in the GDR. But on to the subject at hand: For weeks the focus of interest has been that the former Ministry for State Security took in suspected RAF terrorists who were wanted by the police, gave them a new identity, and "integrated them" into the GDR. That has become apparent from arrests—and you will confirm that as well?

[Neiber] I was surprised—no, outraged—at the report in NEUES DEUTSCHLAND that I had supposedly left the GDR and was in the West, because I am of the opinion that a serious newspaper—and I have always considered NEUES DEUTSCHLAND to be such—cannot base its reports on that kind of information.

[NEUES DEUTSCHLAND] Have you received offers to go to the Federal Republic? Markus Wolf said on television that he had been made an offer—and other "former members" as well.

[Neiber] Not me.

[NEUES DEUTSCHLAND] Have you heard from former colleagues along these lines?

[Neiber] No.

[NEUES DEUTSCHLAND] On the subject of the suspected terrorists to whom you, or rather your subordinates, offered shelter: There are eight of them under arrest at the moment. The service unit that was once responsible for these persons came under your jurisdiction?

[Neiber] Yes, there was a service unit within the ministry whose task it was to observe—for purposes of prevention—terrorist activities, to investigate them, and to prevent them. When it came to terrorist actions, they were to be suppressed by it. In the context of the worldwide development of terrorism, the establishment of this unit was necessary.

[NEUES DEUTSCHLAND] When was it formed?

[Neiber] At first as a working group about 12 years ago. It was then organized as a main department.

[NEUES DEUTSCHLAND] As the well-known Main Department XXII?

[Neiber] Yes, but not because of this RAF. That was not the starting point. The starting point was to initiate measures to keep terrorism away from the GDR.

[NEUES DEUTSCHLAND] When one forms such a working group and continues to organize it, as you say, then the question arises: How great was the danger of terrorism in the GDR?

[Neiber] The danger existed everywhere in the world. After all, you have to put yourself back in the mid-1970's, when terrorism was raging: the Olympic Games in Munich, the embassy in Stockholm, the release of convicted RAF people extorted by the hijacking of the Lufthansa's "Landshut" aircraft... Because of the location of Berlin alone, which permitted easy crossing of the border for many people, the GDR was the focus of interest for many groups.

[NEUES DEUTSCHLAND] Schoenefeld [Airport] is considered the "first address" for more than just insiders.

[Neiber] People did not just try to travel through the GDR—to transit. They also came to Berlin. Everything needed careful investigation. When will he return? Who is he contacting? How does he behave when here? Everything had to be investigated step by step, using the entire spectrum of state security methods. Pure intelligence, secret service work—like everywhere in this world. It was a matter of preventing the GDR from being used as a hinterland. The emergence of the potential for supporting terrorist groupings within the country itself also had to be prevented. From the beginning, it was the mission of this working group to recognize terrorism in time, to check it out, and to collect information on it.

[NEUES DEUTSCHLAND] Mr. Neiber, what is your personal position on terrorism?

[Neiber] Terrorism is no way to settle issues. Terrorism is to be condemned in general—and by me personally as well. There are no two ways about it.

[NEUES DEUTSCHLAND] How big was the main department?

[Neiber] About 800 people. They were for the most part combat personnel who were incorporated into the organization on 1 March 1989, however.

[NEUES DEUTSCHLAND] Combat personnel? Comparable to the GSG 9 (West German Border Police Group 9 antiterrorist unit)?

[Neiber] There were differences, but we did have a unit that was deployable—rapidly and around the clock—anywhere in the country. That requires personnel. All onboard airline security personnel were included among them, for example. I say that so that people do not conclude: There was another gigantic apparatus... The operations group within Main Department XXII had to depend on information from the entire ministry, of course.

[NEUES DEUTSCHLAND] And that sufficed—noticeably omnipotently—in many areas...

[Neiber] The situation had to be evaluated—in the GDR and in the socialist countries. Information about the situation in the West was taken into consideration.

[NEUES DEUTSCHLAND] Were these combat forces ever used?

[Neiber] Very rarely. There was the hostage-taking at Frankfurt (Oder) Prison, for example.

[NEUES DEUTSCHLAND] Were there efforts to create an RAF hinterland here?

[Neiber] One could conclude that from the overall situation.

[NEUES DEUTSCHLAND] And specifically? Were there safehouses, arms caches, any kind of RAF structures in the GDR?

[Neiber] Not to our knowledge. But there were repeated attempts to gain a foothold. The situation in the FRG alarmed us, of course. RAF—the name alone: "Red Army Faction." All its activities and the crimes that were committed contradicted our political views, of course.

[NEUES DEUTSCHLAND] Yes, but—how does that all go together? Rejection of the methods but nonetheless taking in the actors?

[Neiber] Oh, well. After "certain" contacts were established, if you want to call it that, everything was done to dissuade the RAF members from undertaking further operations.

[NEUES DEUTSCHLAND] How did these "certain" contacts come about? Did the terrorists turn to you? Or was the MfS the "matchmaker"? Were third parties even involved?

[Neiber] The initial situation was as follows: Terrorists were arrested in Bulgaria in mid-1978. They had retired to that Balkan country after the freeing of Till Meyer from Moabit Prison. The arrests were made by special search groups of the West German Federal Criminal Investigation Office in cooperation with Bulgarian security organizations. Three of them escaped arrest, however: Viett, Nikolai, and the third, as I remember it, was Siegmann. They were arrested in the CSSR. The three people incarcerated expressed their desire to CSSR authorities to make contact with the GDR.

[NEUES DEUTSCHLAND] A request that undoubtedly reached you....

[Neiber] Then-Minister Mielke was informed. He decided that those arrested were to be brought to the GDR.

[NEUES DEUTSCHLAND] Mielke decided that?

[Neiber] Yes. A responsible member of Main Department XXII was dispatched to Prague with appropriate authorization. The RAF people were questioned for 10 to 14 days at one of our sites. Afterwards, they were deported to the Middle East—presumably they went to Iraq. Apparently because of disputes within the terrorist groups—perhaps because of political pressure as well—those who were later taken in subsequently decided to renounce terrorism and to request that they be accepted in the GDR. Persons in responsible positions remember a letter delivered to Minister Mielke, and others remember a personal visit by an emissary. The extent to which other persons played a role in this discussion, I cannot say.

We viewed our contacts with them as an opportunity to get them to abandon their false ideology—if for no other reason than the security of the GDR. And there were some who did so. Now one could have said, it is a simple

matter: We will put them in jail ourselves, or we will report them and hand them over. Now, what would have been the result of that?

[NEUES DEUTSCHLAND] What?

[Neiber] Well, others would have really become active then. Would not new potential for hatred and new fuel have built up? But because they were not there—the old guard—it had a demoralizing effect. A new security situation arose in the FRG as well.

[NEUES DEUTSCHLAND] Now the charge is being leveled that you not only knew your way around in those circles, but that you directed them as well—hand in hand. An MfS-RAF joint venture.

[Neiber] That is totally wrong. Even the attack on the "La Belle" discotheque in West Berlin is being falsely attributed to us.

[NEUES DEUTSCHLAND] You continue to deny the accusation of having maintained "business relations" with them?

[Neiber] Absolutely. We did not do any directing, we did not give out any assignments, and we did not discuss any projects in any manner whatsoever.

[NEUES DEUTSCHLAND] Alleged defectors are telling a different story in West German magazines. Former FRG secret service member Hellenbroich seems to support your position. What is true? And what, when you received information about criminal plans—one has to assume—what was done? For example—just pulled out of the air—through your investigation the suspicion arose that attacks were to be launched again.

[Neiber] Things like that never came to light. It never got that far even in discussions. Of course, we knew some things about past operations, but newspapers were reporting things like that also.

[NEUES DEUTSCHLAND] That means that you are claiming that you did not have any information about planned criminal operations?

[Neiber] No. We required of those who had been accepted here in the GDR and who had gotten a new identity that they separate themselves from terrorism.

[NEUES DEUTSCHLAND] Can you say with absolute certainty that that policy was consistently adhered to?

[Neiber] As much as one can say anything with "absolute certainty." But in any case, that was the idea of the thing—otherwise we would not have done it.

[NEUES DEUTSCHLAND] Your colleagues from the other side claim to know that, for example, Werner Lotze, Von Seckendorff, and Beer did not regard the GDR as an "old-age home."

[Neiber] Yes, I heard that too, but I cannot go along with it. Otherwise, something would have had to have happened despite all our efforts....

[NEUES DEUTSCHLAND] ...About which you had no information? Is it conceivable that another service unit resorted to using these people?

[Neiber] That was, as I told you a number of times, not the policy we followed in our work.

[NEUES DEUTSCHLAND] But now on to an apparent contradiction: From your perspective, the MfS did everything to keep terrorism away from the GDR. Is it morally justifiable to allow people to go underground who are supposed murderers or supposed assassins without the system of justice having first rendered a verdict? Does the end justify the means?

[Neiber] That is certainly a serious question. We regarded our actions as being right at the time. We wanted to break the cycle of underground-attempted assassination-imprisonment-forced release-underground. Whether that was right or not, others must judge. Normally they would have been convicted.

[NEUES DEUTSCHLAND] What does "normally" mean?

[Neiber] There was not even a request for legal assistance. The FRG did not extradite people to us and we did not extradite to them.

[NEUES DEUTSCHLAND] Did the terrorist leadership do anything in exchange for accommodating the supposed terrorists here in our country?

[Neiber] Nothing. They were wont to see us as allies in a certain sense. We had to explain their error to them. For many of them their world collapsed and that is how it came about that they completely withdrew and went back to a normal life. We made it clear to them that their crimes were causing harm to socialism and the Left.

[NEUES DEUTSCHLAND] Opposed to your theses is the contention that accepting these people was a "silly" hobby of Honecker and Mielke—reminiscences of their own youth.

[Neiber] I cannot judge that. I did not have a discussion about it with the then-Chairman of the Council of State.

[NEUES DEUTSCHLAND] But Honecker alleges—through his attorney—that he first learned about the dubious naturalizations from the press.

[Neiber] I go on the assumption that the minister did not make sensitive decisions and give us the appropriate orders without Honecker's knowledge. He had less important matters signed off on "up there." [NEUES DEUTSCHLAND] Your former colleague Schwanitz, in an interview published in DIE ZEIT, Hamburg, sees it the same way. The date when accepting them began, is

being generally put at 1980. The contacts must consequently have antedated that because they surely would not have arrived and said I would like to live in Senftenberg or Frankfurt (Oder) now. Is that correct?

[Neiber] I cannot give the exact dates. They came at short intervals of some weeks. Only Beer came somewhat later.

[NEUES DEUTSCHLAND] How did the reception proceed—at 1243 Briesen, for example? Is it a difficult procedure to give someone a new identity?

[Neiber] They did not come with their own identity. They had several passports. But it is difficult. You had to get them adjusted to life in the GDR. When you provide someone with a new identity, you have to support him to his death.

[NEUES DEUTSCHLAND] That is all over with now. Those who wanted to create upheaval in the FRG experienced it in the GDR. Before being accepted, the newcomers were surely not just treated with kid gloves but were dealt with pretty harshly, were they not?

[Neiber] Well, certainly you tried to get things straight—as much as possible.

[NEUES DEUTSCHLAND] Was there someone outside of Main Department XXII involved in the “creation of new life”? After all—apartments, jobs, a multitude of documents....

[Neiber] Involved—surely. But these people did not know what it was about.

[NEUES DEUTSCHLAND] Did former RAF members have to sign a statement of obligation or something like that?

[Neiber] I cannot say. There were probably differences.

[NEUES DEUTSCHLAND] No set procedure for being accepted?

[Neiber] The main issue was getting away from it [terrorism] and having no contacts of any kind.

[NEUES DEUTSCHLAND] No contacts of any kind...?

[Neiber] ...No activity from here.

[NEUES DEUTSCHLAND] How did you intend to ensure that? Were the former RAF people put under special custody?

[Neiber] Yes, that is obvious. They were looked after. That served a number of functions. First, we wanted to prevent problems. Think of the growing tourist traffic and the many arrest warrants in the FRG. And at the same time, to prevent them from organizing themselves again.

[NEUES DEUTSCHLAND] Minister Diestel says that there is no RAF network in the GDR—or rather, no

indications of one. What did your supervision consist of—did they have an employee of your ministry at their side?

[Neiber] These measures cost us a lot of manpower. A number of staff members were employed for that. They did not know all the facts and context. But such details belong in the judicial inquiry. Those who are involved in disbanding the MfS know all that. Today they say constantly that the structure must be uncovered. What is there to uncover? The structures are lying exposed, after all.

[NEUES DEUTSCHLAND] Something else is probably meant. The fear is abroad that the Ministry for State Security could be operating as it did before.

[Neiber] That is without any foundation whatsoever.

[NEUES DEUTSCHLAND] To your knowledge, then, there are no longer any coherent structures....

[Neiber] No, there is no longer any activity, any structures.

[NEUES DEUTSCHLAND] No activity....

[Neiber] No. Who would be doing anything and with whom?

[NEUES DEUTSCHLAND] Well, good—but you know how it goes.

[Neiber] So? What could be accomplished by it? Nothing can be done anymore. No, no. It is being dismantled in the truest sense of the word—in stages, as it was ordered. Nothing new has been built up.

[NEUES DEUTSCHLAND] But many are assumed to be continuing to work illegally.

[Neiber] Well, let them prove it.

[NEUES DEUTSCHLAND] To your knowledge, nothing is going on there anymore?

[Neiber] Absolutely nothing. That some of them congratulate each other on their birthdays—that is probably happening. Otherwise, the employees have been more than left on their own.

[NEUES DEUTSCHLAND] Citizens committees made the abbreviation OIBE [officer on special assignment] known to the public....

[Neiber] ...In connection with a so-called survival order. NEUES DEUTSCHLAND published that (see NEUES DEUTSCHLAND 9-10 June, page 6—Editor). Your paper created a powerful stir with that. I do not know why they had to write that. The OIBE order was one of the methods of fulfilling the tasks of state security.

[NEUES DEUTSCHLAND] If not a regulation for survival—what is the directive from your perspective?

[Neiber] All that can be looked into.

[NEUES DEUTSCHLAND] Was there perhaps another survival order that no one knows about—except for those who are acting on it?

[Neiber] No. There was not, there was not. I can say that absolutely.

[NEUES DEUTSCHLAND] What was the purpose of the order?

[Neiber] Unofficial collaborators, and, as a kind of higher form of them, "officers on special assignment," were installed at danger points.

[NEUES DEUTSCHLAND] Can you explain what danger points were?

[Neiber] Well, where danger could arise for the Republic.

[NEUES DEUTSCHLAND] And it could have arisen at KoKo-Schalck [Ministry for Foreign Affairs Commercial Coordination Department, headed by State Secretary Alexander Schalck-Golodkowski], for example?

[Neiber] Well, today one could certainly say that that was a mistake. Why did the man have to be an OIBE? I did not have anything to do with Schalck.

[NEUES DEUTSCHLAND] Since the Main Department for Counterterrorism was under your jurisdiction, you can surely also say something about the charges that came up time and time again that there were training camps for international terrorists in this country.

[Neiber] What is meant by terrorists, is everywhere interpreted differently. Some mean the freedom fighters of the PLO, while others mean the Mujahideen in Afghanistan. It is known everywhere that the GDR had contacts with liberation movements. That, of course, was not part of Main Department XXII's mission. That business near Frankfurt (Oder) (training camp for FRG citizens—Editor) which I read about—I did not know about it at all.

[NEUES DEUTSCHLAND] RAF people claim that when they were abroad, their safehouses were kept under protective surveillance by the former MfS. The people were allegedly warned when danger threatened. Practical services....

[Neiber] That would really be perfection and perhaps even an overestimation of our capabilities.

[NEUES DEUTSCHLAND] And as far as logistical support goes—money, weapons, explosives, drugs, passports? You would have had the capability. Were you ever something like the rear services of the Red Army Faction?

[Neiber] No.

[NEUES DEUTSCHLAND] Our topic was the RAF and the MfS and their association, their entanglement. Was not the acceptance of Albrecht, Viett, Maler-Witt, Beer, and others an enormous political-moral danger for the

country and its reputation in the world? The GDR, after all, belonged to the International Antiterrorism Convention.

[Neiber] Whom did we really hurt other than ourselves? What is more important? This danger, or the danger that terrorism will continue to expand beyond borders and over time?

[NEUES DEUTSCHLAND] Your actions are sometimes called criminal. Do you see the problem differently today than previously?

[Neiber] I see a lot of things differently today than previously.

[NEUES DEUTSCHLAND] In regard to this point....

[Neiber] You cannot separate it from the situation as it existed at the time. According to our views then, it was right at the time. There is an entirely different situation today. Everything has a time, a place, and conditions. Until just recently I would have said that I was convinced that I was serving the best and most just cause that there is. We talked about real socialism, but many things were simply being distorted....

HUNGARY

Impropriety of Soviet Financial Claims in Law and Equity Discussed

90CH0268A Budapest NEPSZAVA in Hungarian
6, 7, 9 10, 11 Jul 90

[Series of five articles by Irene Szabo: "The Financial Balance of 45 Years of Occupation"]

[6 Jul p. 5]

[Interview with Professor Dr. Laszlo Valki, department head at the Lorand Eotvos University of Sciences [ELTE]; place and date not given: "Reparations for the Second Time? Halting the Troop Withdrawal Would Be Unlawful"—first three paragraphs are NEPSZAVA introduction]

[Text] Hungary won a war for the last time 501 years ago, thanks to King Matyas. This means that during the second half of our statehood, to this date, we have always turned out to be the losers in any major military conflict. To this date we do not have an accurate picture of the damages caused by the most recent war, the effects of which will be felt by generations to come. This is either because we do not have the data, or because there has been no access to secretly handled documents, and because these relations could be seen only through the beautifying falsehood of ideology.

Now that we are closing an era, it is mandatory for us to make an assessment, to face the facts. We must know how much of the last global conflagration should be recorded as damage done by history, and what part

constitutes damages incurred in peacetime—peacetime damages, in the causal system of which the 45-year domination of our politics, our economy, our consciousness, and our culture takes a prominent place. We cannot undertake an analysis of the divergent mechanism of the effects of the Soviet empire's colonization policies in the new age. But we may venture to enlist the support of a few experts and present a few facts to prove that Hungary is not indebted to the Soviet Union.

We begin our series with a discussion with an expert on international law. We asked questions of current interest from professor Dr. Laszlo Valki, department head at the Lorand Eotvos University of Sciences [ELTE]. What is his view of Army General Matvey Burlakov's statement in IZVESTIYA, which sounded rather threatening because he raised the possibility of halting Soviet troop withdrawal from Hungary if the Hungarian side continues to be unwilling to account individually for the facilities received from the Soviet Army.

[Valki] In my view this statement amounts to nothing less than extortion in a tactical sense. I had an opportunity to participate in the troop withdrawal negotiations, and I remember well certain unequivocal declarations in the agreement between the two sides. The agreement states that Soviet troops must be withdrawn by the time specified, i.e. by 30 June 1991. And based on this same agreement the Soviet Union and Hungary would continue negotiating the size of mutual claims [while the withdrawal of troops is] "going on." In other words: about the value of buildings, airfields, and other military facilities. The content of the agreement will depend on what the two sides agree upon, but neither side may demand that the other must give in to his demands. If we do not need an airport hangar, for example, there can be no question as to whether we must pay. Accordingly, I can say that no breach of contract will occur if the Hungarian side does not accept a given Soviet argument, or demands that certain facilities be removed from the list which enumerates the amounts to be paid.

[Szabo] Yes, but the colonel general who obviously feels that he is in a position to make threats may also feel in the future that he may go beyond making threats.

[Valki] The Soviets would be in grave violation of the basic agreement reached in March between the two sides should they halt troop removals. They would have a right to stop the withdrawal only if the Hungarian side violated some provision of the agreement, such as for example not placing at their disposal the railroad cars needed for the withdrawal of troops. But the Soviet side could also resort to such sanctions if the Hungarian side refused to pay a debt, the sum of which has already been agreed upon. But, as I mentioned already, since no agreement whatsoever has been reached concerning mutual financial demands, the Soviet side has no grounds for suspending troop withdrawals.

[Szabo] The Soviets claim that they are leaving behind in Hungary real estate worth 50 billion forints. Estimates

by Hungarian military experts call for 10 billion forints. This presumes a long bargaining process, if the order given to the soldier provides for bargaining, that is. What happens if the two sides are unable to agree upon financial matters prior to the end of troop removals?

[Valki] International law provides a number of opportunities to resolve such cases. The two sides may request, for example, [the mediation services of] a third party they mutually regard as trustworthy. Or, they could request an expert group composed of citizens of several states to do the assessment. The services of an international arbitration committee would also be conceivable. Quite naturally, it would be possible for the two sides to utilize the services of the UN International Court of Justice in The Hague. These solutions appear to be rather favorable because it is self-evident that impartial sides have no interest whatsoever in establishing unwarranted high amounts in favor of either party in dispute.

[Szabo] This troop removal involves military action in part, as well as economic issues. It is a mixture of two matters, accordingly. The idea of this mixture alone presents itself as a source for dispute. Has there been an international precedent for this kind of mixture of military and financial issues?

[Valki] I do not recall an instance in which a state has established a claim for compensation relative to the facilities it has left behind after removing its troops from a country. I am aware only of what is commonly known: reparations paid to the victors by the side that lost the war. On the other hand, I do not recall Hungary having lost a war against the Soviet Union since 1945, a war started illegally by Hungary. Consequently, the fact that Hungary was willing to discuss financial matters with the Soviet Union in February and March 1990 demonstrates the preparedness of the Hungarian side to compromise. I regard this as essential because we are well aware that after 1945 Soviet troops stayed in Hungary not at the request of the Hungarian Government, and without the consent of the Hungarian nation. The stay of Soviet troops in Hungary was approved by Hungarian Government leaders who for all practical purposes were forced upon the Hungarian people by the then Soviet political leaders. This fact cannot be disputed.

[Szabo] The 45 years of occupation caused very many kinds of tangible and intangible damage. Does international law recognize the concept of moral damage?

[Valki] We should instead say that the following question arises in the minds of international law specialists: What moral basis does the Soviet Union have for requesting any kind of compensation after 45 years of occupation? It is clear to everyone that the occupation caused grave damage to the Hungarian state and the Hungarian people, both in a historical sense and in practice. The Soviet argument which holds that their troops protected us from Western threats cannot be sustained, because the Soviet troops did not protect us, they protected the system the Soviet Union forced upon our country. Quite

naturally, had the Soviets moved out after 1945, or after the Paris Peace treaty of 1947, Hungary would not have required protection from anything or anyone. Simply put: This argument is useless.

[7 Jul p. 5]

[Article: "Who Built the Baykal-Amur Main Railroad Line?"]

[Text] Historians claim that among all European countries, Hungary is the great loser of the 20th Century. It is impossible to prepare an inventory of the losses, it is impossible to paint a fresco of the damage suffered, because wars, particularly world wars are the works of art of confusion and chaos. We sought answers to two questions from Tamas Stark, scientific associate at the Historical Sciences Institute of the Hungarian Academy of Sciences: In what condition did the country receive Soviet liberation, and what are the facts which clearly provide proof of occupation? In the following we are quoting from Stark's findings resulting from his research endeavors.

By the spring of 1945 about 1 million Hungarian citizens had escaped from Hungary from the [approaching] Soviet troops. Of these, 580,000 persons were part of the military. Not everyone escaped, according to Central Statistical Office [KSH] information; some 280,000 persons fell captive to the Soviets. The capture of people within our borders—their number may be estimated at 250,000—is called conscious deportation, and one may state with certainty that a majority of these persons were civilians. Mass deportations continued even after the war had officially ended. What were the "liberators" viewpoints? To reduce the number of Hungarians in the Carpathian-Ukraine, to apply the principle of collective reprisal, to fulfill the plan relative to prisoners of war, to perform political cleaning up [processes], and to obtain a work force for the Far East, for the "construction [projects] of the century," the Baykal-Amur Main Line, the Baykonur space station, the large canal constructions, salt mines, and lumbering.

Track Money for the Prisoners

The fact that to this date a prisoner agreement consistent with the Paris Peace Treaty has not been consummated between the two states remains an unsettled matter from a diplomatic standpoint. Although the Hungarians prepared a naive plan which demanded the completion of death certificates and the establishment of prisoner of war cemeteries and [proper] care for such cemeteries, the meeting scheduled for spring 1947 did not take place. In February 1948 the Soviets regarded the issue as having been resolved as a result of signing an "agreement on mutual friendship and cooperation." Roy Medvedev estimates that Soviet military courts convicted 100,000 Hungarians. The lack of interpreters presented no problem; Soviet military judges showed with their fingers the number of years they decreed to be served in one

of the Gulag camps performing forced labor. The cynicism of Soviet politics is well demonstrated by the fact that the Hungarian Government had to pay so-called "track money" for each prisoner of war returned home. Track money amounted to 20 Swiss francs per person. Some day perhaps it will be revealed how much it cost to return the Hungarian prisoners of war [who were] alive. But quite obviously, we will never learn the value of the labor performed by Hungarians deported to the Soviet Union.

A former, long time employee of the ministry of public welfare provided some interesting information. Hungary had to send food packages to Hungarian prisoners of war while we were paying reparations, and at a time when we were providing food and all necessities to the soldiers of the Red Army, and 40 percent of our national assets were consumed in the war. This person, formerly responsible for prisoners of war, vividly recalls the lists of requirements submitted [by the Soviets] calling for several railroad car loads of cigarette papers, and several shipments containing bay leaves and canned meat. We never received confirmation of where these shipments ended up. But it is certain that the inhabitants of the camps decimated by famine and disease never received cigarette papers.

Children Were Also Taken

Just what was and what was not legitimate? Only a great deal of research could shed light on this issue. The fact is that military loss figures at the Defense Ministry mention only 70,000 prisoners of war. Not much is said anywhere about the damage suffered by families and by the nation by virtue of those who disappeared, the people who were dragged away, and those who were dumped into unmarked graves. The Soviets denied the deportation of civilians. On the other hand, a slip of the tongue by one of the contemporary newspapers is interesting. Information contained in HUNGARIAN PRISONER OF WAR NEWS, published in the summer of 1946 by KMP [expansion unknown], is an unintended indictment. On 17 June 1946 this newspaper reports that thanks to the KMP's intervention 40,000 civilian prisoners of war from the Miskolc area had returned home.... The search column of this newspaper also constitutes an indictment. In it mothers were looking for their sons ages 12-13 who had disappeared on their way to school, and grandchildren were trying to find out who knew about their 75-year-old grandfathers dragged away for a few days of work.

The historian [Stark] also states that those who were taken away were also treated as hostages. Between 1946 and 1948 the Soviets also wanted to influence the Hungarian Government and Hungarian politics by using this significant number of people held captive. Incidentally, the archives of the Military History Institute preserved the inventory of military losses. This constitutes between 40 and 50 boxes. A substantial staff would be required to analyze these documents, but no such staff is available. Tamas Stark discovered that in the spring of

1945 the Ministry of Public Welfare lifted the prohibition on abortion. This serves as indirect proof of some other atrocities also denied: the mass proportions in which the "glorious liberators" raped girls and married women. Certain statistics also reveal the health consequences of occupation: The number of persons afflicted with venereal disease increased, and diseases that were thus far unknown were brought into the country.

The above represents only the crumbs of the Russian black bread.

Crumbs, nevertheless they are characteristic and typical. This is what the historian says: Mesmerized by an ideal, by the consciousness of a mission, the victorious Soviets used every means for the total incorporation of the country, and used various means of intimidation to upset everything, [including] the social and economic structure, and the peculiar national order of values—whatever that may have been, but it was ours. But still, why did no one reveal what was happening to the country, to the people? The absence of revelations may be explained by the existence of mass reprisals. As part of his research Stark talked to very many prisoners of war who had returned from the Soviet Union. Many of them are still scared. They are kept silent by some spasms which cannot be relaxed. We became a country of intimidated people, Stark says. And we are looking back at the past 45 years as a brainwashed nation. We are looking back at the stunning fact that it is possible to deny the existence of the sun in the sky.

A Crippled Nation

The historian draws an interesting analogy between the final conclusions drawn from a sociological survey on the one hand, and the neurosis, increased rate of suicide, alcoholism, and increasing violations of law. Fifteen-hundred interviews were prepared with people formerly held in German concentration camps and with relatives of such people who did not return. The purpose of the survey was to find out how concentration camp experiences affected persons' consciousness and psychological condition. In other words: to assess the damages these persons suffered. The survey revealed that the damage is of an elementary nature, and that its impact haunts several generations. Fear and anxiety experienced for a protracted period of time is worse than an incurable disease.

According to Stark, the effect mechanism which struck Hungarian families in the course of transforming society along Soviet patterns is virtually analogous [with the survey results]. Fear deformed the consciousness and spirit of the inhabitants of the occupied country. The nation has also become crippled in a psychological sense. And while good and bad mixed in a misleading way, the occupied people were less and less capable of distinguishing between values that were true or false, real or pseudo, make believe or humanist.

Economic and moral decay along the Soviet pattern is fact. But more about this in the next installment.

[9 Jul p. 5]

[Article: "Soviet Pattern for Reigning"]

[Text] Using the purchasing power of the Hungarian currency in 1938 as the basis for comparison, Hungary's economic losses suffered during the war are estimated at [figure illegible] billion pengos. This means that more than five times the value of the 1938 national income was ruined or destroyed. Part of the factories became the spoils of war and were taken to the Soviet Union. Agriculture was able to produce only half of its peacetime production volume; it sufficed only to supply the soldiers of the Red Army and to fulfill the reparation requirement for \$31 million worth of agricultural products, calculated on the basis of the value of the dollar at the time. Destitution was so great that a few times the Soviets gave or loaned a few thousand tons of produce from the volume already seized, until the next harvest. Based on the Potsdam resolution the Hungarian Government in 1947 transferred to the Soviet union 400 enterprises and plants, and several hundred pieces of real estate. Repurchase of these between 1947 and 1955 was permitted....

The facts are merciless. They prove that as "liberators" they [word illegible] as an occupation army, and that they conducted themselves as an occupation army, as colonizers. They initiated a total incorporation process, meaning that every aspect of life was shaped according to the Soviet pattern, which naturally means political [word illegible] as well as a total system of ideological means and superior authority. We are unable to undertake an analysis of the economic history. Based on a book written jointly by economics professor [name illegible] and Ivan Peto, however, we will attempt to present the spread of the above-mentioned Soviet pattern, which rendered Hungarian industry and agriculture a nonviable torso.

Things the Soviet Union Needed

"There is no separate national path in the construction of socialism," Matyas Rakosi announced in 1948. According to the authors, the time that statement was made marks the beginning of the process in which economic and political differences [between Hungary and the] Soviet Union were drastically liquidated. The Soviet Union's economic practice of 1930, of the 1930's became the example. This included megalomaniac industrial development, an agricultural product structure which did not take into consideration natural conditions, a cooperative movement based on the kolhoz system, and centrally directed fixed planned economic management. An army of Soviet advisers flooded the country and became part of the economic management system. Plants manufactured things that were needed by "big brother," and Soviet advisers prescribed what should be grown on the land. The fact that the country's first five-year plan was a mechanical copy of the Soviet Union's first five-year plan is characteristic, nevertheless it has some stunning [word illegible]....

Soviet work movements flooded the plants. Aleksey Stakhanov, the miner from the Donetsk Basin, was obviously happy when the Hungarian advance guard of the [Soviet] movement, started in 1935 and which bore his name, received the "honor" of that title. Hungarian variations of patterns arriving by the dozens also appeared, and the good student produced the Gazda, the [words illegible] even if the student did not outdo his master. Individuals and socialist brigades began to compete, the form blinded everyone, and the form covered up the content.

Kulaks Without Land

Production along Soviet patterns was accompanied by a distribution system based on the Soviet pattern. This was reinforced by the introduction of the council system in public administration, and by completing the nationalization of banks and property. Before they even noticed, smallholders who cultivated their land were turned into kulaks and enemies of society. This is also consistent with the Soviet pattern, of course. Only this much about the data presented by the authors: In 1949 there were 63,300 farms in the country whose former [word illegible] owners qualified as kulaks based on the pattern. But the list of kulaks includes the names of 71,600 families. The fact that 22,000 of these families had no land speaks for itself [as published].

People are growing cotton. Rice fields appear where conditions for rice production do not exist at all. Socialist cities, socialist large plants, are created. They are producing products needed by the Soviet Union. The occupation force did not bother to develop the technical preparedness of Hungarian industry devastated during the war, because the existing standards were perfectly acceptable to the Soviets. The Hungarian marionettes of political leadership were unsuited to discover that in 1945 an economic and social process came to an end, and a totally alien new process began, a process for which we cannot find even a suitable concept that could serve as a descriptive name.

Asian production methods break in. Women's equality—in the unfavorable sense of that term—enters, and the country sings the song: "My Darling Is a Tractor Driver." Ideology governs scientific policy. Economic sciences interpret Stalin, consequently, no mention is made of the law of value, of the role of goods and monetary conditions, simply because no mention of these could be made. Grade school students first became "buddies," then pioneers. Sweeping the attic according to the Soviet pattern is followed by the instilling of a penal mechanism along the Soviet pattern. The camp at Recsk is nursed at the breast of Soviet deterrence. In labor camps filled with deportees at the Hortobagy, State Security Authority [AVH] officers trained according to the Soviet pattern find an outlet for their vandalism.

Professional businessmen are retrained based on Soviet methods. And while everyone is scared and anxious, the rules of economics turn upside down. The party decides

everything and judges everyone. The [word illegible] method produces a mass of irrational phenomena. For example: A 1953 plan calls for a 250-percent increase in the production of sickles in 1954, and a 311.8-percent increase in the production of hoes.

The Socialist Trumpet

Even the wavering of the Communist Party in 1953 would not have produced any particular consequences had it not been for the [words illegible] demand for "self-criticism." But since the [words illegible] socialist countries were restless and expressed dissatisfaction, because the higher standard socialist economy could produce only misery for the people, the Communists in Hungary were forced to [words illegible]. It was then that it turned out that (with Soviet help) "in the course of three and one quarter years court proceedings were conducted against 650,000 persons, almost more than [passage illegible] 850,000 sentences were pronounced in the framework of police adjudication; under various titles and pretexts, hundreds of thousands of farmers were punished, penalties paid for violating the compulsory delivery of produce alone amounted to 400 million forints, a significant part of which was illegal and unjust even under prevailing conditions and law," based on the documents. (Quote from the authors: "Four Decades of the Hungarian Economy" p. 242).

The societal earthquake of 1956 did not sweep away the [words illegible] it proclaimed a ruthless war against the reaction, and wrote the same undefinable word pairs on its banner as the Soviet Union: socialist economy, socialist democracy, socialist type of man, socialist morality. And socialist realism with its false pathos left indelible marks on Hungarian creative arts, on literature, poetry, and music.

I recall when Khrushchev visited Budapest. At one of the super secret conversations he said that the trumpet was the only socialist musical instrument. From then on everyone and his son blew the trumpet.

[10 Jul p. 5]

[Interview with retired Colonel Dr. Lajos Moricz; place and date not given: "Blended Into the Soviet Armada"—first three paragraphs are NEPSZAVA introduction]

[Text] If some day the Hungarian Honved Forces, its corps of officers, and its leadership are strong enough to face their own four and a half decades, they obviously will have no reason to be proud of the contradictions of their own situation and the role they played. By contradiction, we mean that if they compare themselves with the army which was destroyed and humiliated by the global conflagration, and whose most antiquated weapons were taken as bounty by the Soviets. The army whose soldiers and officers either became prisoners of war or were the subjects of atrocities to various degrees

in Hungary. Well, this army was exchanged for an entirely new, an entirely different army during the first years of peace.

One wonders whether the army established on the basis of the new socialist rule could be called Hungarian. One wonders whether the armed forces, for the development of which they planned to use nine percent of the budget already in 1948, and of which Erno Gero said in 1949 that its development is among the main tasks of the five-year plan—whether these armed forces have made an attempt to defend Hungary from being incorporated by the Soviets? The issue is important, if for no other reason, because despite its miserable situation, since 1950 Hungary has spent 18 percent of all investment funds for military investments, and this represents only the indirect military investments. No data is available with regard to direct investments.

Retired Colonel Dr. Lajos Moricz, a candidate for a degree in military sciences, a soldier, and a researcher, agreed to discuss various aspects of this issue.

[Moricz] I am one of those professional soldiers whose heart and soul is intent on defending the country, consistent with his oath. The multitude of things that accompanies this kind of career is repeatedly interlaced in my family's life. My father was a military officer, he fell captive to the Soviets after World War I [as published]. My mother was Russian. My brother, also a military officer, was taken to Recsk on grounds that he "failed to be vigilant." One of my two sons is also a professional soldier. The way that I, as a lieutenant and graduate of the Ludovika [military academy prior to 1945], became a Soviet prisoner of war on 1 April 1945 at Focsani, together with 70,000 of my fellow soldiers, has a long story behind it. [This happened as a result of] being misled. Then, [the story of] how I with 17 others escaped from the prisoner of war train headed for Kisinyov. And the way I escaped being set aside or something far worse, thanks to great luck and not to the least to my fluency in Russian.

[Szabo] How did the Soviets begin transforming the Hungarian Army?

[Moricz] By 1949 they had cleansed our army of every military leader from the previous era. And although then Defense Minister Mihaly Farkas tried to retain soldiers with great expertise in certain posts, by 1953 there were only 500 officers and noncommissioned officers who knew what they were doing. Accordingly, I could say that the coarse and rapid transformation began in 1949. The Soviets discontinued the Kossuth Academy and replaced it with officer training along the Soviet pattern, thereby erasing even the memory of Hungarian officer training with a 200 years past, which characterized our army. Soviet advisers were sitting next to the colonels. There were 153 Soviet advisers who not only interfered with matters, but told, prescribed, what had to be done and how. The political adviser that came into being along the pattern of commissars was more important than the

professional leaders of our troops. After 1956, just for the sake of double insurance, they also elected separate party secretaries at the various units. Thus the professional was replaced by ideology. The transformation also extended, of course, to the uniforms, boots, and cap—to everything. As a matter of curiosity I will mention that they introduced the custom of warm breakfast with porridge as the main course, in other words they did not even respect our customary meals.

[Szabo] How was a soldier, a Hungarian down to the bone, able to tolerate all this?

[Moricz] In no way, I believe. But we must not forget that the accelerated officer training they started resulted in such a state of mind that hardly any doubt arose, and not even the seed of opposition could evolve. The Hungarian Army was trained to accept the idea that an attack from the West could come at any time. Consequently, we must defend ourselves in such a way that we are able to attack before they do. This concept, i.e. the constant preparedness for a possible attack, produced two results. On the one hand it nurtured internationalism with a hidden patriotic feeling. On the other hand, it cost an awful lot. Although Hungarian sentiments faded as a result of the Warsaw Pact, the great, common interest was presented in such a way that it turned out that this was also in our main interest. I will note that some of the Soviet military experts were withdrawn after 1953. The Military Academy, the place I went to in 1955, also had only one such expert left in 1957, and he was one of the more intelligent ones. In reality, by the early 1960's Soviet supervision of the lower units had completely ceased. Actually, the fact that aside from Soviet troops and AVH units Hungarian soldiers did not compromise themselves in the revolutionary fights of 1956 may be credited to a certain neutral character of the army. Because the sober mind suggested that if we stand up against Soviet superior power they would only level an annihilating blow at us.

[Szabo] The way I understand this matter, the partial withdrawal of Soviet military experts did not discontinue the Soviet's hands-on management of the Hungarian Army.

[Moricz] That is true. So much so that in 1969 they reorganized the command of the unified forces because there was unrest among the member countries because every leader was a Soviet; 20 Hungarian officers were placed in the staff as a matter of formality, but they did not receive any assignments. I must say, however, that the weakening Soviet grip would have allowed much greater autonomy for our army, but the ideology became so strong that the leadership of the Hungarian Army was unable to step out from within its boundaries. Young officers still do not know how Hungary got into the war against the Soviet Union. Dezső Nemes prohibited the publication of two of my books in the early 1970's because I wanted to shed light on this matter. Zrinyi Military Publishers stayed away from anything that

could have "offended" the Soviets. Well, I will readily acknowledge that fact can be very offensive.

[Szabo] What is your view of the reorganized "People's Democratic" Army having become a unit of the Soviet armada?

[Moricz] In my view [the Hungarian Army] was a unit of the Soviet armada. Even though it is also true that there is no country in Europe without some kind of military ally, but it does make a difference how much they accept and how much they are willing to sacrifice for national interests based on perceived threats or for the common interest.

[Szabo] How will the Hungarian Army measure up in its own eyes, if it looks in the mirror? What is your view?

[Moricz] The picture they see will be contradictory. Serving the defense of the country is an activity that requires professional knowledge, and military leaders direct this activity in the interest of the nation. If the legal basis for such activities is settled, and if the leaders are beyond reproach, they may look into the mirror, come what may. For 45 years our army was not guided by scientifically considered steps. This is another reason why there is so much contradiction. The main trouble is that we walked into the 70-year-old dead end street of the Soviets.

[11 Jul p. 5]

[Article and interview with Jenő Fonay, chairman of the Hungarian Political Prisoners' Association [POFOSZ]; place and date not given: "The Truth of the Defeated"]

[Text] It is possible to calculate the value of lost objects, of confiscated personal and real property. The value of losses incurred during the war may be expressed in forints, because by adding the value of destroyed buildings, bridges, and animals we obtain a number by which we are able to precisely prove that so much of the national property was lost. Only the people carry no price tags. Therefore it is impossible to express in any currency the value lost by the 420,000 to 450,000 people who died, the ones we lost during the second world war. Similarly, no price tag can be attached to the prisoner of war experience of 550,000 to 570,000 Hungarians in the Soviet Union. And the damage suffered in the character of a people as a result of interfering colonizing policies cannot be expressed in monetary terms.

This is true, even though the moral damage suffered by Hungarian families is the greatest, and the "liberators" caused the greatest devastation in Hungary in this intangible sphere. They tried to change members of the nation who received the shock treatment of ideology into so-called community men, by developing means that cause fear. And they almost succeeded in bringing about amnesia in the people, in the individual, one that covers everything that is important: things that are peculiar, unique, characteristic, and independently thinking. Marshall Voroshilov knew exactly why he told National

Peasant Party parliamentary representative Imre Kovacs in 1947 that "the victors' truth is different from that of the defeated." (Quote from Imre Kovacs's book "The Occupation of Hungary") Namely: Defeat was total. And no totalitarian occupation permits intellectual and moral freedom to prevail, nor does it tolerate independence in consciousness and in culture.

The AVH Took Him, the Soviets Convicted Him

Jenő Fonay, chairman of the Hungarian Political Prisoners' Association [POFOSZ], was not willing to [make numerical] estimates of the damage either. But he was willing to converse. Prior to our conversation he asked me to pick at random a few pieces from the organization's mail. These letters tell everything in regard to which no data exists. These are the belated indictments of the crippling Soviet occupation.

Stockholm resident, 84-year-old Dr. Béla Kezdy Vasárhelyi was taken to the Ukraine in February 1945. He was made to work in a steel mill for two years. He returned home with malaria, was officially declared disabled, but was unable to find work in Hungary because of his noble origins. In early 1948 the AVH arrested and tortured him, then handed him to the Soviets. There he was sentenced to death by a military court, but in the end a reinforced Siberian labor camp awaited him. He was there until the end of 1955. Following his return to Hungary he was in the transit prison in Budapest until he emigrated in 1956. He requests the Association to help him in his plea for indemnification....

Postmaster's assistant Gizella Kapocsi was born in 1926, and was sent to the AVH internment camp at Kistarcsa on 6 February 1950. According to the final determination issued at the time she was sent there because "the named person collaborated with interned persons and forwarded mail to them illegally." She was released two years later. At present she lives in Szombathely. She receives pension payments amounting to 4,268 forints. She would like to obtain a little increase in these payments....

POFOSZ Demands Indemnification

Erzsebet Pluhar Brunecker writes that she is the victim of the mass butchery that took place at the Parliament. Her father died there, but the family searched for him in vain, they could not find him. In 1963 they were obligated to initiate proceedings to declare her father as having deceased. Erzsebet was wounded in her left thigh. She was treated at the Hungarian State Railroad [MAV] hospital, she even attached a copy of her release papers which revealed that she was at the hospital between 25 October and 18 December 1956 with a bullet wound. She escaped to Zurich because their house and garden were confiscated. She regards her persecution as an experience of horror....

"Just what awaited us at home after being prisoners of war in the Soviet Union? Internment camps, deportation, forced labor camps, but at the minimum a stigma

which followed us through our lives. A purple mark placed on our cadre record, and based on that, human, moral, and financial neglect. The party regime established after the Soviet pattern demanded that we tolerate our dependence as slaves....” This quotation is taken from Kaptalanoti resident Bela Scheller’s letter. He described the fact that his generation is burnt out and has lost its faith as a result of the humiliations. His writing reveals that prior to 1945 he was an air force officer....

Suffering. Injustice. Autocracy. Those humiliated protest in the staid words of Jenő Fonay.

“The Soviets chained Hungary to a bad idea. Stalin was the grand master of this satanic idea, and the “little apprentices” placed on the shoulders of the Hungarian people tried to be his true disciples. For years we have been about [words illegible] (...), but the way I see it, this intention is very much one-sided. For two years now, the train[load of people] wishing to pay tribute at the shore of the Don River was unable to get there. In an unchanged manner, the Soviets regard Parcel 301 as the murderers’ parcel. I must state that POFOSZ has not given up its demand for indemnification. And they have not given up the idea that the Soviets should apologize to our people.

“To date, the secret documents that can be found in Hungary have not been analyzed. There is no access to the documents in the Soviet Union. We could establish demands only if we could document the damage done, like the Jewry did.

“This is the truth. Our starting point is not to confront the Soviet Union with the consequences of its own destructive policies, presenting this as a Hungarian issue. One cannot even coexist with the thought of those consequences. What we want is to make this issue a cause for the socialist countries. We have already made contact with the political prisoners’ associations in the CSFR, Romania, and Poland, and we are negotiating with the Bulgarian and Croatian sister organizations. We are preparing ourselves for joint action. We are correlating historical facts and documents, because going after hunches alone is too little. Unfortunately, our letter to Sakharov arrived too late. He is no longer able to help us in this work.”

Reconciliation and Holding to Account

[begin interview]

[Szabo] Has the possibility of working with the Committee on Historical Justice and the Recsk Association occurred to you?

[Fonay] Of course it has. These three organizations will be able to become a serious force only if they act jointly. They will become a force which as a matter of moral duty will agree to uncover the damages suffered by Hungary as a result of Soviet imperialism. For example, we would like to obtain a response from the Soviet Union to this question: How many Hungarians died in that “big land”

in the course of building socialism? They must also state what specific benefits they derived from the activities of Hungarian citizens illegally dragged away after the “liberation” of our country. They must tell the extent to which they abridged the Hungarian economy between 1945 and 1956 in addition to the reparations paid, because by now we know that ships, steam engines, and other industrial products were taken to the Soviet Union for pennies. And they must also state that in 1956 the insurgents did not, but Soviet soldiers did, shoot Budapest into pieces.... [end interview]

It is a cruel and painful matter to confront crime. It is terrible to clean the dirty water in a decades old sea of lies. But one is able to acquiesce, two nations are able to establish some entirely new relationship based on candid foundations only if they conduct such an accounting. This series was prepared in the interest of such an accounting, in order to dethrone the taboos.

POLAND

Peasant Party Disunity: Bak’s Breakaway Group Joins Center Accord

90EP0634B Warsaw RZECZPOSPOLITA in Polish
26-27 May 90 p 3

[Article by Zaneta Semprich: “Polish Peasant Party Against the Polish Peasant Party”]

[Text] The radical transformation of the ZSL [United Peasant Party] into the PSL “Odrodzenie” [Polish Peasant Party-“Rebirth”] and now into the PSL [Polish Peasant Party] cannot be credible, because no nation, no party—indeed no man—can escape from its future.

Mieczyslaw Wardzinski, acting chairman of the Chief Council of the PSL, persuaded journalists of this at a press conference on the 24th of this month. “No one except us has the moral right to call themselves the Polish Peasant Party,” explained Henryk Bak, the party’s chairman.

The political line of this PSL is defined by the following convictions: that the roundtable compromise has already become obsolete, in spite of the fact that it is supported by institutional and legal solutions; that elections to the parliament should take place as soon as possible, no later than spring of next year, and the president should obtain his mandate only as a result of general elections; and that the government is not favorable to peasants or agriculture. In the resolution of the 17th of this month, the Chief Council spoke of its support for the protests of NSZZ Solidarnosc RI [Rural Solidarity] against the burdening of farmers with payments of retirement contributions and PZU [State Insurance Bureau] contributions. But at the same time the characteristic words fell at the above-mentioned conference: “No one in the country is starving yet,” argued one of its participants. “Land is getting more valuable, people are not fleeing to the city. So everything is aimed in the right direction.”

Under the direction of Henryk Bak, the PSL joined the Center Accord.

Foreign, Domestic Independent Socialist Parties Unite, Elect Leaders

90EP0634A Warsaw TRYBUNA in Polish 14 May 90 p 3

[PAP Article: "Unification of Independent Polish Socialist Parties"]

[Text] Mieczyslaw Krajewski has informed PAP that a unification congress of two factions of the Polish socialist movement took place on the 11th and 12th of this month in Warsaw. The two factions were: the Independent PPS [Polish Socialist Party] that is active in Belgium, France, the FRG, Sweden, and Great Britain, which is concentrated around the Central Committee of the Foreign (N) PPS [Independent Polish Socialist Party], and the Independent PPS that is active in Poland. A 26-person Central Council of the party was elected. Ludwik Blazejczak (Belgium) became its chairman; Tadeusz Bilewicz (Poland), deputy chairman; and Jacek Wilczur (Poland), secretary.

The congress also elected an 11-person Central Executive Committee. Mieczyslaw Krajewski (Poland) became chairman of the CKW [Central Executive Committee], and Tadeusz Prokopowicz (Great Britain), secretary general.

In a press communique from this unification congress of the (N) PPS, it has been confirmed that it will constitute an essential step toward the unification of the Polish socialist movement, both in Poland and abroad. The urgently needed unification of Polish socialists should be completed on the plane of independent and democratic socialism, always mindful of social justice, freedom of conscience, human rights, and the protection of working people. The unification congress of (N) PPS, the communique says, unequivocally declares itself in favor of the unity of the Polish socialist movement.

Current Occupations of Former Authorities Documented

90EP0617A Warsaw PRZEGLAD TYGODNIOWY in Polish No 22, 3 Jun 90 p 3

[Article by Ewa Kacprzycka: "Where Are They?"]

[Text] What's new with you? I posed this question to people who have descended from our country's political stage. I posed it to members of the previous governmental team, to high state officials, and to party functionaries of the highest rung, who after years of rule recently deserted the building of the Central Committee of the PZPR [Polish United Workers Party]. I passed over those who are still active, and I recognized that a call to Jozef Czyryk or Stanislaw Dlugosz would be pointless.

I did not succeed in reaching everyone. No one answered the home telephone of Kazimierz Cypryniak, former secretary of the KC [Central Committee] of the PZPR, a Politburo member, and chairman of the CKKR [Central Auditing-Control Commission] of the PZPR. I did not succeed, for example, in locating Janusz Kubasiewicz, former first secretary of the Warsaw Committee of the PZPR. A few people have simply left Warsaw. Therefore the list of people is incomplete.

My endeavors in obtaining the telephone numbers make up a separate, long story. Only Zbigniew Messner kindly agreed to give me one of the numbers I was looking for. None of the people with whom I spoke made my work easier by informing me of the fate of their colleagues from work. All invariably answered that they do not maintain any contacts. The conversations were short. Only Tadeusz Mlynchak felt like having a longer chat. Many were reluctant to answer the phone. The first reaction was confusion, the word "retirement" was mentioned with embarrassment. Often regret and bitterness came to their voices. Twice I encountered the request that the name of the speaker be omitted from print.

Lukasz Balcer, former minister of justice, has applied for registration on the lawyers' list and is waiting for a reply.

Kazimierz Barcikowski, 63, former member of the Politburo of the KC PZPR, and deputy chairman of the State Council, said, "I am retired, I have nothing more to add," and he hung up.

Jozef Baryla, gen. arms, former secretary of the KC PZPR, member of the Politburo, head of the GZP WP [Main Political Directorate, Polish Army], member of WRON [Military Council for National Salvation], deputy minister of national defense was named the PRL's [Polish People's Republic's] ambassador to Syria and Jordan in December 1988. He has probably already been informed of his recall.

Stanislaw Ciosek, former minister for cooperation with trade unions, minister of labor, wages, and social affairs, secretary general of the State Council of PRON [Patriotic Movement for National Rebirth], secretary of the KC PZPR, and Politburo member, is the RP's [Polish Republic's] ambassador in Moscow.

Michal Czarski, former minister of labor and social affairs, is an advisor in our embassy in Czechoslovakia (he is occupied with the affairs related to the employment of Poles in Czechoslovakia).

Lucjan Czubinski, 60, gen. div., former attorney general, undersecretary of state in the Ministry of Internal Affairs, is retired and often goes to Wilga to help his son build a house.

Bogumil Ferensztajn, 56, former minister of construction and the housing industry, is retired. He has had to accept this by necessity, because he has not received any offers of work. He said, "Unfortunately, while working in the department, I did not think about ensuring myself

a safe landing in the future." He is counting on eventually joining some company, because he finds retirement boring.

Jacek Fisiak, professor and former minister of national education, returned to UAM [Adam Mickiewicz University] in Poznan, where he is director of the English Philology Institute and also chairman of the board of English philology directors of Polish universities. He still frequents the MEN [Ministry of National Education], because he is a member of the group on foreign language teaching. He is currently staying in Saarbruecken, FRG as a visiting professor.

Jan Glowczyk, 63, former secretary of the KC PZPR and Politburo member, is retired. He engages in some journalism. Last year and this year, he published about 20 articles in the columns of TRYBUNA LUDU and ZYCIE GOSPODARCZE. He is not connected to any company, because, as he said, "that is against his views."

Manfred Gorywoda, former first secretary of the KW [Voivodship Committee] of the PZPR in Katowice, deputy chairman of the Council of Ministers and chairman of the Planning Commission in the RM [Council of Ministers], secretary of the KC PZPR, and deputy member of the Politburo, will soon begin work in his own right. Asked about concrete details, he gave evasive answers. He is still honorary chairman of the soccer club "Ruch" Chorzow.

Zbigniew Grabowski, professor, former minister-director of the Office of Scientific and Technical Progress and Implementation, returned to the Warsaw Institute of Technology where he is director of the Department of Geotechnics and Underground Construction. In the department of civil engineering, he leads classes of third-year students.

Dominik Jastrzebski, former minister of foreign economic cooperation, is occupied with private business. He did not want to say anything more exact, but he affirmed that his company is very ambitious and everyone will hear of it in the near future anyway.

Janusz Kaminski, former minister of transportation and subsequently minister of transport, navigation, and communications, is director of the transport division of the secretariat of the Council of Economic Mutual Assistance in Moscow.

Kazimierz Kakol, professor and former chairman of the Main Commission for Research on Nazi War Crimes, continues to maintain a half-time position in the Department of Journalism and Political Science at UW [Warsaw University]. He is not expecting a full-time position, since he will turn 70 in the autumn and will retire. He would like to scandalize a little bit, so in addition to a book, "Crime, Punishment, Justice," he intends to present, on the basis of documents, the relations between the middle level of party activists and the first secretaries of the KC PZPR and the premiers.

Zenon Komender, 67, former trade minister, deputy premier, deputy chairman of the State Council, and chairman of PAX, is retired, but still goes to PAX where he has an office and secretary and where, as he says, he "puts his affairs in order, and writes on and observes what is going on in the country."

Aleksander Krawczuk, professor and former minister of culture and art, returned to Jagiellonian University, but has not yet begun classes. He is putting a library in order and is busy with a garden at his home. He is thinking of writing his memoirs of the time when he was in charge of the department of culture. He intends to entitle his memoirs "Red and Black."

Wladyslaw Loranc, 59, former chairman of the Radio and Television Affairs Committee, and minister (director of the Office of Denominational Affairs), is retired. He is engaged in journalism.

Roman Malinowski, 55, former deputy premier, chairman of the NK ZSL [Chief Committee of the United Peasant Party], and marshal of the Sejm, is retired.

Zbigniew Messner, professor, former premier, recent member of the State Council, has returned to his home school, from which he had been on leave during his political activities. He teaches classes (four hours a week) in the Department of Industry at the Economics Academy in Katowice (however, he still lives in Warsaw). He is also deputy chairman of the Main Council of the PTE [Polish Economic Society], and chairman of the commission of scientific workers of the Association of Accountants in Poland, which is preparing Polish accounting for the needs of a market economy. He is fulfilling both these functions without pay. He gives assurances that in spite of the rumors he does not associated with any company, adding with a sigh, "unfortunately."

Zbigniew Michalek, 54, former secretary of the KC PZPR and Politburo member, did not accept his planned retirement and returned to Glubczyce (Opolskie) to the position of director of an agricultural plant.

Tadeusz Mlynczak, 56, former chairman of the SD [Democratic Party], is of necessity temporarily taking advantage of his retirement benefits, maintaining that he will really retire only at age 65. He is thinking about returning to engineering and economic activities.

Wlodzimierz Mokrzyszczak, former secretary of the KC PZPR and Politburo member, was named the PRL's ambassador to Czechoslovakia in November 1988. He was recalled from that post and is now an advisor to Minister A. Wieladka in the department of transport and navigation.

Marcin Nurowski, 55, former vice president of Warsaw and minister of the domestic market, was forced into retirement by his physician and is not in the best health.

He works without pay as the head of the body of advisors for the Polish Crafts Union and as secretary of the Polish Society for Organic Work.

Jozef Oleksy, former first secretary of the KW [Voivodship Committee] of the PZPR in Biala Podlaska and minister of cooperation with trade unions, gives lectures in the department of foreign trade at the SGPiS [Main School of Planning and Statistics]. He is a deputy to the Sejm and actively participates in the parliament's work: he is a member of the foreign affairs commission, the commission of administration and internal affairs, the legislative commission, the extraordinary constitutional commission, the extraordinary on transformation of ownership structure, and the intercommission group on indebtedness. He is also a member of the administration of the Polish Group for Interparliamentary Union, a member of the presidium of the Parliamentary Club of the Democratic Left, and is active in the Zygmunt Chmielewski Foundation gathering scholarship funds for talented rural children.

Tadeusz Olechowski, former minister of foreign affairs, is Poland's ambassador in Brussels.

Kazimierz Olesiak, 53, former secretary of the NK ZSL, deputy chairman of the Council of Ministers, minister of agriculture, forestry, and the food industries, and chairman of the PSL "Odrodzenie" [Polish Peasant Party-"Rebirth"], retired after the six-month period during which he received deputy prime minister's pay. He hopes that he will still work. When asked whether he was looking for work, he replied, "I think that work will look for me."

Marian Orzechowski, 59, former secretary of the KC PZPR, Politburo member, general secretary of the National Council of PRON, and minister of foreign affairs retired, although he still expects to return to Wroclaw University. He is a deputy to the Sejm, deputy chairman of the foreign affairs committee, chairman of the Polish Group for Interparliamentary Union, and deputy chairman of the constitutional commission. He is writing his memoirs of the ten most difficult years (1980-1990) he spent in Warsaw. (About 150 pages is already finished.)

Zdzislaw Pakula, former chairman of the Polish National Bank, is a member of the administration of the International Bank for Economic Cooperation in Moscow.

Janusz Patorski, former deputy chairman of the Council of Ministers, is a member of the Program Council, which has been active for a year, and the Polish Foundation for Personnel Advancement, which he promoted while still deputy premier and of which he is one of the founders. The foundation has the goal of raising the qualifications of the managerial cadre of industries. Among other things, it organizes three-part seminars which end with internships in Dutch companies that last several weeks. In another company, the name of which can not be

revealed because the arrangement is too new, he is engaged in the promotion of Polish scientific and technical thought abroad.

Izabela Planeta-Malecka, professor and former minister of health and social welfare, returned to the position of deputy director of pediatrics at the Polish Mothers Health Center, but this position is to be eliminated soon. She is still director of the department of clinical sciences in the department of childhood diseases at the WAM [Military Medical Academy], simultaneously fulfilling the function of head of the internal medicine ward of the Polish Mothers Health Center (the clinic works on a departmental basis). An atmosphere of silence surrounds the professor's person: everyone declined to answer questions regarding the capacity in which the former minister currently works at the Center. In the office of the director's secretary, they pretended not to know who I meant. In personnel, they briefly stated that this is an official secret and they demanded an official letter from the editorial office on this matter.

Tadeusz Porebski, professor, former first secretary of the KW PZPR in Wroclaw, secretary of the KC PZPR, Politburo member, and deputy marshal of the Sejm, was named ambassador to Yugoslavia in June of last year. He returned to Poland in March during the first wave of recalls. After his return, he expressed his willingness to the rector of the Wroclaw Institute of Technology to return, beginning with the new academic year, to the Institute of Materials Science and Technical Mechanics. At the same time, he asked for an extension of his leave-without-pay until 15 Sept of this year. (The professor was on leave from the school during his work for the party). The employees of the Wroclaw "Fadroma" [Factory] protested against his return to the institute, saying in an open letter that they forbid somebody like that teaching their children.

Wladyslaw Pozoga, gen. div., former deputy minister of the MSW [Ministry of Internal Affairs] responsible for intelligence and counterintelligence, and first deputy minister of internal affairs, has been Poland's ambassador to Bulgaria since autumn of last year.

Mieczyslaw F. Rakowski, 64, former premier, the last, first secretary of the KC PZPR, is retired. He is preparing the first issue of PRZEGLAD SPOLECZNY, which is to be an ideological periodical for the left of the countries of East and Central Europe. He continues to write DZIENNIK, which was begun in 1956—typewritten pages already number ten to twenty thousand.

Ireneusz Sekula, former minister of labor and social policy and deputy chairman of the Council of Ministers, is president of the Polish-Japanese firm "Polnippon" Company, which recently began operations. The company is involved in financing economic enterprises, promoting Japanese interests in Poland—and through Poland in other East European countries—and also promoting Polish interests in Japan. As deputy to the

Sejm, he is deputy chairman of the Parliamentary Club of the Democratic Left and a member of the commission on social policy and the commission on the economic system. As a volunteer, he performs the functions of chairman of the Polish Sailing Association, deputy chairman of the National Council of the Association of Vocational Training Institutes, and chairman of the board of the "You Have One Heart" Foundation, the goal of which is to prevent diseases of the circulatory system.

Tadeusz Szacilo, gen. arms, former head of the Main Political Directorate of the WP, is chief of the Military Institute of History.

Slawomir Tabkowski, former director of the press department of the KC PZPR and chairman of the RSW "Prasa-Ksiazka-Ruch" ["Prasa-Ksiazka-Ruch" Worker's Cooperative Publishing House], has received his six-month notice. So far, no one has offered him a job and he is getting the impression that his one year and ten months residence in the KC PZPR is obscuring his many years of experience and professional expertise.

Zofia Tarasinska, 60, chairman of the ZUS [Social Security Agency], offered her resignation and retired.

Jerzy Urban, former minister-member of the RM and government press secretary, is the chief director-editor of the Unia-Press agency (formerly KAR [National Workers Agency]).

Andrzej Wasilewski, 62, former secretary of the KC PZPR, is living on his pension. He is looking for work, but without success.

Mieczyslaw Wilczek, former minister of industry, is in business and states that—as always—it is good. Occupying a ministerial position in the Rakowski administration, in 1988 he was obliged to sell his shares in the Lavil firm to his partners and he does not regret it, because winters have been warmer lately and the fur business is not doing well. He is still producing feed concentrates. He is finishing construction of a slaughter house. There are four more in the works, because he is now chairman and coowner of the Polish-Italian company, "Stanislawow Meat Plant." He intends to produce the cheapest and best pork products in Poland. You will have a chance to be convinced in July when production will begin and a chain of his own shops will open. Moreover, he is a partner in and chairman of the "Polnippon" Company (see Ireneusz Sekula). He says, "I am now a nonparty bourgeois and I am happily engaged in the building of capitalism in Poland."

Marian Wozniak, former first secretary of the KW PZPR in Warsaw, secretary of the KC PZPR, and Politburo member, was named ambassador of the PRL to China in autumn of 1988. He returned to Poland a few days ago.

Andrzej Wroblewski, former undersecretary of state in the Ministry of Industry and subsequently minister of finance, is chief of the administration of the investment consulting firm "NYWIG," which has been operating since February of this year.

Jozef Zyta, 63, former attorney general, is taking an overdue rest vacation.

POLAND

Duties, Role of Chemical Defense Forces Outlined

90EP0621A Warsaw PRZEGLAD WOJSK
LADOWYCH in Polish No 5, May 1990 pp 5-8

[Article by Colonel Zygmunt Jasik: "The Role and Tasks of the Chemical Defense Forces"]

[Text] In accordance with the decision of the minister of national defense, as of 1 June, the chemical forces are being renamed to the chemical defense forces. The question thus arises, what is behind this change? Does it concern only external form, or is there some internal justification as well?

The chemical forces have never had an offensive character, and their formation and development was likewise closely connected to the development of military thought in the sphere of defense against weapons of mass destruction. Their basic interest was and continues to be the contamination arising from the use of nuclear weapons or poisonous agents in combat.

However, as industry has developed, especially the chemical and nuclear energy industries, the field of the operations of the chemical forces widened to include toxic and radioactive contamination from industry. The release (leak) of toxic industrial agents and radioactive substances may occur in times of peace (the numerous accidents in recent years in various parts of the world are proof of this) as well in a period of war as a result of the destruction of chemical plants and nuclear reactors.

The detection and recognition of all the types of contamination that threaten human life is an undertaking that is by nature a life-saving activity above all. (During war, this could take the form of the performance by the forces of combat assignments and the elimination of contamination—which is possible after the harmful substances have been detected and identified—the assurance of the troops' maintained, combat capability, and the protection of the lives of the civilian population.) Precisely this constitutes the substance of the tasks of the chemical defense.

It will attain its goal—which, during war, is to create the conditions in which the army can execute its tasks in a situation of contamination; and which during peace is to protect the population from ionizing radiation and industrial toxins—only when it has a universal character. That means that every soldier (garrison, task force) must know its principles.

An important element of chemical defense is constituted by the task forces that detect nuclear explosions, conduct reconnaissance of contaminated areas, employ special measures, and decontaminate supplies of uniforms and by other forces which execute highly complicated tasks that demand the appropriate preparation of the soldiers and the application of specialized equipment.

For that reason, too, the new name, Chemical Defense Forces (which is made up of the above-mentioned task forces among others), is completely adequate for the tasks that they perform.

The training of chemical defense task forces—and, in a narrower sphere, task forces made up of other types of troops as well—embraces a number of problems of various sorts. Thorough familiarity with and efficient handling of these problems is a basic achievement of the goal of chemical defense.

Among the most important of them, one may count:

- 1) Training to detect nuclear explosions and chemical strikes and to conduct reconnaissance of radioactive and chemical contamination and, beginning this year, to detect industrial (chemical and radioactive) contamination.

The aforementioned tasks are performed within the framework of the system of contamination detection (SWS), which up until now was prepared to work during wartime, in which weapons of mass destruction were used. The enlargement of the chemical defense forces' sphere of tasks impelled the functioning system to be supplemented by the reconnaissance of industrial toxins.

To execute this task, it is necessary to supply the task forces with the appropriate equipment which will enable them to specify within a short time the type of toxic substance, what concentration is dangerous, and to obtain other information making it easier to identify the optimal methods of eliminating the contamination so as to protect the soldiers operating in their zone. The importance of the problem is illustrated by the fact that dozens—counting only the most commonly encountered ones, though new ones are constantly being introduced—of types of highly toxic substances are used in industry. It is thus obvious that the reconnaissance task forces will not be supplied with universal equipment at once. However, we already have at our disposal an instrument that makes it possible to recognize 10 to 20 of the most dangerous substances appearing in industrial plants.

The efficiency of the system for detecting and evaluating the results of the use of weapons of mass destruction by the enemy or the results of accidents in industrial plants must continually be improved by properly completing programmatic training and during exercises and practice sessions.

- 2) The exploitation of individual and collective means of protection.

Under conditions of radioactive, chemical, and industrial toxin contamination, soldiers will be able to operate only by using anti-contamination defense equipment. In the case of the application of phosphor-organic BSTT, expertise in the use of protective equipment is the way to

guarantee the maintenance of health and life. The attainment of mastery in this sphere is a fundamental condition of performing other tasks in contamination zones. Thus, one can not regret the time or effort spent on training.

In the case of the participation of chemical defense task forces and other types of troops in the elimination of toxic industrial contaminations, the protection of the respiratory passages takes on particular significance.

The characteristic trait of the majority of industrial toxins is the ease with which the inhalation pathways are poisoned. This can happen on the threshold of perceptible concentrations. For example, hydrogen sulfide in large concentrations causes the immediate paralysis of olfactory nerve endings, the result of which is that the scent, which is highly characteristic in very small concentrations, is imperceptible. Research on the gas masks that the forces are equipped with showed that they protect against the majority of industrial toxins. Their protective action can last dozens of minutes and longer. This depends on, among other things, the types of toxins and the humidity of the air.

Collective means of protection diminish the impact of the shock wave and radiation of a thermonuclear explosion and considerably weaken the impact of hard radiation. Shelters and combat vehicles equipped with ventilator filter units protect against radioactive and chemical substances. It is therefore possible to stay in them a long time without individual means of protection against contamination.

- 3) Training in the sphere of conducting sanitary and special measures.

Quick retrieval of contaminated task forces and their equipment for the needs of the battlefield is possible as a result of conducting sanitary and special measures. These measures must be executed by particular soldiers or task forces which find themselves in contamination zones. The most complicated tasks connected to this will be performed by anti-chemical task forces, which until now had been prepared to eliminate contaminations resulting from strikes by weapons of mass destruction. Beginning this year, the assignments of the special measures task forces were widened to include participation in the elimination of the effects of accidents (catastrophes, destruction) connected to the appearance of toxic and radioactive industrial contamination. The preparation to accomplish this undertaking in the near future is one of the main tasks of the anti-chemical task forces.

Supplying the forces with more and more modern protective equipment, such as gas masks and gas-proof, protective clothing, making it possible to perform tasks in contamination zones that result from strikes by weapons of mass destruction and from accidents in chemical plants and nuclear power installations, must go hand in hand with the knowledge and expertise of the cadre and soldiers.

One should pay attention to the fact that modern equipment can operate efficiently and fulfill its functions only in the hands of a well trained and technically educated soldier. Thus, the requirements are growing in relation to the cadre and basic-service soldiers in the chemical defense forces. They are thoroughly prepared by the Higher Chemical Warfare Officers School (beginning with the 1990-1991 academic year, it will be called the Higher Army Engineering Officers School of Wroclaw) and the Chemical Defense Forces Training Center.

In the chemical defense forces' operations related to ensuring the security of the troops when BMR [weapons of mass destruction] are being used, one can observe a more and more distinct convergence with operations aimed at protecting man's natural environment. The results of the work done by, among others, the WAT [Military Technical Academy], the WICHr [Military Institute of Chemistry and Radiometry], and the WSOwCh [Higher Chemical Warfare Officers School], are more and more often exploited in the national economy. This especially concerns estimates of the threat to the environment in the event of accidents at great industrial plants, reactors, and nuclear power plants; the evaluation of new designs of filters and filter absorbers for industry and agriculture; as well as the development of the technology for eliminating the industrial wastes that are poisoning the natural environment. But to eliminate the potential effects of chemical accidents, temporary chemical and radiation damage-control groups have been appointed. They were drawn from the chemical defense forces, engineering forces, and health service. Some of their tasks are: participating in the delineation of the scale and effects of these accidents, forecasting the spread of the contamination, protecting the troops, and cooperating in the protection of the population.

To sum up, it should be emphasized that the chemical defense forces take advantage of their potential and possibilities only to maintain or reproduce the forces' combat capability and that their technical and military possibilities can be taken advantage of both during war and in peacetime.

BULGARIA

Poor Quality of Bulgarian Export Goods Cited

90BA0191A Sofia VECHERNI NOVINI in Bulgarian
19 Jun 90 p 2

[Article by Simeon Danevski: "Difficulties of 'Made in Bulgaria' in the Marketplace"]

[Text] "We are not short of things to produce but of things to sell," claims engineer Stoyan Markov, chairman of the Committee on Quality. Competition is the life of the market but only when the market is strong!

The balloon burst a long time ago! We inflated it and, with its large size, we were trying to conceal what was within. We no longer ask whether we succeeded. The answer was provided quite some time ago. The question now is different: How do we get out of the impasse without falling back into it? The simplest answer is the following: by repairing the road ahead of us, however difficult this may be. Such is the situation and, in all likelihood, that is what we shall do, for, indeed, no other solution is available. Yet another question arises—how do we do it?—because there are those who suggest that we must strain our forces so much that we may break our backs. This is not a proper method, for which reason it may perhaps be more suitable to forge ahead stubbornly, one step at a time, and clear the difficulties that, as it were, are substantial. It is thus that, step by step, we must also follow the path of improving quality, without which we could not even enter the train leaving for Europe. This, however, will also be our greatest difficulty.

Poor quality is to be compensated for by its perpetrator. Could anything be simpler? In practice, however, such has not been the case so far, although we kept repeating this idea endlessly. Recently an Italian company accused us of producing substandard bolts for metal structures. They showed us the collapsed metal structures. All we could do was feel ashamed and pay for the damages. The fact that we acknowledged the situation did not make it any easier. We are paying and will keep paying for poor work until we learn how to work conscientiously and responsibly and not like amateurs. This is because the Bulgarian people have proved that, whenever necessary, they can do many things.

"That is the crux of the matter," said Markov. "It is time for everyone to realize that, without quality, no goods can be sold. For this to be achieved, we need serious motivation, something that so far has been lacking. Will this be the situation in the future as well? Unless matters change, we simply will not find any place in Europe and in its exigent and strict market. Currently, our committee has virtually become a police administration: We receive a signal of poor work and poor quality, and we rush to record the case. We are allowed only to levy a fine or impose some other penalty. This will not improve matters. Standards must become a law for all producers, regardless of whether they are state or private. At

present, unfortunately, such standards are being violated, even though many of them are already obsolete and inconsistent with the present. In the future we shall have to become accustomed to the familiar German DIN [German Standards Institute] standard if we wish for our goods to be accepted on the Western market."

Unquestionably, the situation is serious. People argue about solutions. Would it not be simpler to say that the only solution is to do serious and conscientious work, backed by material motivation? This is something that, so far, we have lacked, for a variety of reasons. We also need a consumer law. Actually, that law was promulgated by the Bulgarian monarch as early as 1935, a time when the economic crisis was also quite severe. That law played, in its time, a positive role. Its experience could still be useful because it would become a barrier to poor quality.

We say that motivation is needed. Did we not have motivation in the past? No, we did not, because we paid everyone, and the good producer was not encouraged. Few efforts were made to achieve something better in the struggle for high quality. Let us learn from those with greater experience. Some Western countries have experts who can predict accurately the point at which an enterprise could work qualitatively. This requires more than good equipment and technology. The experts frequently concentrate on major problems such as labor organization and...discipline. Yes, such is the case, however incredible this may sound. Their statements are taken into consideration in concluding contracts among companies. We are now saying that many of our enterprises have a good material base and technology. However, we keep silent on (or, to say the least, we do not mention out loud) the subject of the organization of labor or whether there is labor and technological discipline in a collective. We had underestimated them in the past, but then we also considered collectives a good base for agitation and propaganda. This, however, was wrong!

BZNS Leader Explains Support for Opposition

90BA0190A Sofia ZEMEDEL'SKO ZNAME
in Bulgarian 13 Jun 90 p 1

[Interview with Viktor Vulkov, BZNS [Bulgarian National Agrarian Union] chairman, by Zhelyu Zhelev; place and date not given: "Support for the Sake of Democracy"]

[Text] This is the second day that Bulgaria is living with expectation and hopes, following the results of the elections for the Grand National Assembly. These are two days during which news coming from television, the radio, and the press have sharpened the senses of every Bulgarian who, for decades, has thirsted for democracy. The results of the first round are already known.

[Zhelev] Comrade Vulkov, could we hope that the declaration of the BZNS [Bulgarian National Agrarian Union] Standing Committee, which was proclaimed yesterday and made public today in the press, has any

direct connection with the fact that the representation of the BZNS in the elections for the Grand National Assembly was below expectations?

[Vulkov] As an independent opposition party that is firmly in favor of the democratization of sociopolitical life in our country, the positions of the BZNS remain unchanged, as proclaimed at its 36th Extraordinary Congress. The united agrarians must not forget that the ranks of the SDS [Union of Democratic Forces] include our brothers from the Nikola Petkov BZNS, with whom we share the ideal of the revival of a united and indivisible Bulgarian Agrarian People's Union, an ideal to which Aleksandur Stamboliyski and Nikola Petkov dedicated their lives.

In supporting the candidates of the SDS for the Grand National Assembly, we shall be supporting the same ideas and hold the same positions: the ideas and positions of democrats.

[Zhelev] Most of the results of the first democratic elections after nearly 45 years are already known. What lessons should the BZNS draw for itself?

[Vulkov] The reasons for the unsatisfactory percentage of the ballots are as yet to be analyzed, and lessons will be drawn on the basis of the entire electoral campaign of the union. As of now, however, it is clear that the main reason was the Bulgarian people's fear to vote their consciences with no adverse consequences. It is difficult and painful for democracy to make its way under the circumstances of the still extant totalitarian structures. This could hardly be denied by anyone. In the course of its 90-year-old history, the BZNS has recorded many losses but also victories. Any experience of generations of united agrarians constitutes a priceless capital for Bulgarian democracy, a capital of which we may be proud.

[Zhelev] For a number of days ZEMEDEL'SKO ZNAME has been printing in bold letters the fact that the BZNS will no longer ever participate in a two-party coalition with the Communist Party of the past!

[Vulkov] This trend in the position of the BZNS remains unchanged. The united agrarians throughout the country and our fellow agrarians and supporters must be sure that our aspiration toward democracy has always existed and that no personal interest or the interests of a group of people will make the Union deviate from this great objective.

In conclusion, I would like to appeal to the members of the BZNS to display, as they have always displayed so far, wisdom, calm, and restraint in order to avoid any actions that could disturb the order in the country. Let our tolerance serve as an example to anyone aspiring to justice and security.

CZECHOSLOVAKIA

Agricultural Law Problems Viewed

90CH0224E Prague HOSPODARSKE NOVINY
in Czech 30 May 90 p 1

[Article by Zdenek Makovicka: "A Legal Merry-Go-Round"]

[Text] Recently passed agricultural laws, i.e. the law on agricultural cooperatives and, above all, the law on land and other real property ownership, have without exaggeration divided our rural areas into two camps. The size of the camps doesn't matter. One side vehemently demands the return of land and in some instances other property, while the other side defends the current, largely cooperative system of management. It sometimes seems that all of this squabbling has obscured the basic point, namely that the main role of the countryside is to feed the nation.

The second law has caused the greatest arguments. There are still those who contend that its passage has not meant basically anything new. Those who want their land returned assert that even if they received it they would run into difficulties producing food because they would lack the equipment to work it properly. Really, after 40 years of building a mass production system almost all smaller facilities have disappeared. There is also a shortage of the equipment needed for small scale production, so the building of a new agricultural system would be quite costly. Those interested in private farming also do not want to take on large loans in the process. They argue that they were forced to give their land up to cooperatives without compensation so now they should be paid damages. I think that there is a lack of understanding here, mainly on the point that most of those now working on cooperatives had no part in the creation of the cooperatives. Many are also people who have never owned anything and have only contributed their labor to the collective. Should these people be made to pay damages?

Also to be considered are the economic consequences. If it were a matter for cooperatives of isolated instances of returning property and paying damages, there would be no substantial impact on their operations. But what if such a program applied to tens of current members or former owners in one enterprise?

In accordance with these expected changes the need becomes more and more urgent to protect the soil stock, which many experts consider more important than ownership conditions. The sources of damaged soil, after all, are to a large extent external to agriculture. This means that emissions will continue to be harmful whether land is owned privately, collectively, or by the state. Moreover, there is a persistent fear that we could not monitor users of plots for overfertilizing in an effort to extract maximum output from the soil. Also open is the issue of rents, how high they might be, etc.

As is evident the passage of these new laws has created more problems than it has solved. The new parliament will have to deal with them.

Price Increases Announced

90CH0224D Prague ZEMEDEL'SKE NOVINY
in Czech 25 May 90 p 1

[Unattributed article: "Food Will Cost More: Price Adjustments and Compensation for Their Impact"]

[Text] Prague—The greatest increase in retail prices since 1953 awaits us on 9 July of this year. The Federal Government decided to take this step at yesterday's session, at which it debated increasing the retail prices of foods, fully compensating the general public for the impact of the change.

Minister Ladislav Dvorak, chairman of the Federal Price Commission, described the adopted measures to journalists as a preparatory step for the later transition to a market economy. The price increase will eliminate a negative tax on food products that amounts to Kcs27 billion, Kcs8 million of which has been shifted to primary agricultural production. The increase is intended to exert pressure for a decrease in its costs, introduce necessary relative prices among specific types of foods, and to stop the waste of certain foods, such as bread.

On the average food prices will increase by 24.6 percent, but in a highly differentiated manner. As the government press secretary, Zdenek Fiala, noted, this is a relatively sophisticated project technically. For example, 574 tons of paper will be needed to print new price lists that will contain some 30,000 items. Based on yesterday's government decision it is expected that, for example, the price of beef hindquarters will increase from Kcs 46 to Kcs 65 per kilogram, whole milk from Kcs3.10 to Kcs4.70 per liter, rolls from Kcs.40 to Kcs.50, finely ground wheat flour from Kcs4.20 to Kcs4.90 per kilogram, and rye bread from Kcs2.80 to Kcs4.30 per kilogram. The price of leg of pork, however, will remain unchanged.

We have already noted that there will be compensation for this price increase. The compensation will take the form of special social payments, according to Peta Miller, Federal Minister of Labor and Social Affairs. Every citizen of our country, including infants, will receive from the state a compensation payment of Kcs140 monthly. This corresponds to the per capita share of the Kcs27 billion that has been eliminated. It will be paid to employees in addition to their net wage, and otherwise will be a part of pensions and family supplementary payments. Artists, entrepreneurs, and those in similar professions can apply for the payment at their appropriate national committee.

Correcting for the skewed nature of relative prices will, however, require additional, similar measures. It appears that there will be an adjustment in the prices of consumer goods in the fall. In this instance the total

increase in prices for some goods will be completely offset by decreases in the prices of other goods.

CSFR/Hungary Stock Market Creation Problems Viewed

90CH0203C Duesseldorf HANDELSBLATT in German
16 May 90 p 31

[Article by Matthaeus Kattinger "CSFR Stock Exchange at Best Two Years Away"]

[Text] HANDELSBLATT, Tuesday, 15 May 90—Now that the borders of virtually all Eastern states have opened, they are also beginning to allow the flow of capital. Some initial steps in Hungary notwithstanding, necessary capital markets are, however, nowhere near functional. Talking to the HANDELSBLATT Walter Schuster, first vice president of the Capital Markets Division of Vienna's Central Giro Institution, portrays the difficulties of creating functioning stock exchanges by the examples of Czechoslovakia and Hungary.

Schuster begins by recalling the very different starting conditions of these countries. First there is the CSFR which can almost be called an industrial state. Economic reforms are just beginning; the service sector is still underdeveloped and there are under 50 joint ventures with Western firms. A difficult period of two to five years must be expected before the koruna becomes [freely] convertible. A start-up time of two to four years is anticipated for a stock market.

Industrialization is not as advanced in Hungary; however, economic reforms were launched almost 10 years ago. In any case, its service sector can be called developed, at least by East European standards. More than 1,000 joint ventures exist. The forint should be convertible within one or, at most, two years. A stock exchange will definitely open in the second half of June.

Schuster comments on the convertibility of the forint and koruna by pointing out that the official exchange rate of the Hungarian currency differs only by roughly 30 percent from the black-market rate; moreover, there is no split rate of exchange as in the CSFR. In Hungary the forint is constantly adjusted (devaluated) to accommodate actual conditions, in Czechoslovakia the courage to follow such a course is—so far—lacking. The high rate of inflation (23 percent) in Hungary has helped reduce excess capital, while in Czechoslovakia (with an official inflation rate of 1.1 percent) an accumulated excess of buying power prevails.

In one respect, according to Schuster, similar steps are recommended for different reasons. In Hungary the problem is primarily the large foreign debt, while in the CSFR it is the limited ability to accept foreign capital in conjunction with the absence of an infrastructure for making use of foreign capital. Both countries need to privatize large sectors of their economy and invite foreign investors to become involved. A stock market would play an important role in this context. Hungary [Schuster

comments] is far ahead in this area. The Security Act has been passed by parliament; foreign brokers have been operating in Budapest since 1989 and [shares of] some Hungarian companies are already being traded at foreign markets.

Enterprises Divided Into Four Categories

Schuster divides the firms of the two Eastern countries into four categories: blue chips, red chips, black chips, and worthless chips and maintains that it is virtually impossible, even in Hungary, to make a useful estimate of how many enterprises belong to each category.

Blue chips would have very few characteristics. They could be traded at most international stock exchanges, Schuster cites Ibusz as an example; these firms would have an international orientation, strong management and an established (trade) name; they would belong to a rapidly growing economic sector or be selling a successful product for which they have a reputation and they would no longer be highly capital intensive.

However, it would certainly not be in the best interest of post-communist states to sell bluechip firms to foreign competitors or for these firms to engage in joint ventures with them if it involves their important original domain. They would be sufficiently strong to grow exclusively with capital provided by foreign investors.

Red chips—In principle these firms would have the same chances as blue chips, except that they would still have to surmount such problems as weak management, an underdeveloped reporting system, lack of financial management, low productivity and inadequate quality control (a typical example: Tungsram). Possible solutions could involve foreign managers or joint ventures with foreign partners; the latter should not, however, be their primary competitors. Here, too, Tungsram serves as a good example since its new partner, General Electric, is not nearly as strong in Europe, Tungsram's main market.

Black chips—These firms are found primarily in the machine-tool sector. They are characterized by low productivity, by obsolete technology, by exporting primarily to other East Bloc or Third World countries, by few contacts to the West and by large debts. A good example would be Ikarus, the brush manufacturer. It would probably be best to sell these firms to Western corporations.

Worthless chips—These should be sold as soon as possible and the firms closed down. They are concentrated in the heavy industry sector; they would have no environmental programs (or stick to them); they would be extremely unproductive and they could almost certainly not be sold on the international market (mass produced chemical products; steel).

Schuster recalls in this context the Austrian privatization debates. At this time, roughly speaking, about 40 percent of Austrian industry is privately owned, 20 percent is still publicly owned and 40 percent is held by foreign

interests. Although the debate in Austria takes place under the general heading of "selling the family silver to foreigners," the foreign share of industrial property would be indisputable despite the 40 percent. The post-communist states should, according to Schuster, first attempt to reach Austria's position.

Both in Hungary and in the CSFR the domestic demand for shares or risk capital is very small. Both countries have an extremely low savings rate which is actually negative in Hungary (where people's savings take the form of consumer goods such as hi-fi equipment). Besides, the high inflation rate in Hungary during the past two to three years has severely affected the bond market.

The public suffered great losses because of bonds with fixed coupon rates, which caused confidence in higher forms of financial investments to drop sharply. Because of the high inflation rate the opinion is also widely held that profits of Hungary's enterprises could not be sufficiently large to make an investment in capital shares attractive. There are hardly any institutional investors.

Still No Demand for Domestic Shares in Hungary

In the opinion of Hungarian expert Schuster, the main problem in most East European countries will surely be the need to stimulate domestic demand for shares. This is a greater problem than the problem of finding a sufficient number of bluechip and redchip firms. Banks are not expected to generate much demand. Commercial banks are, on the one hand, more interested in acquiring an interest for themselves so that they can offer firms favorable financing terms (five to six percent); on the other hand, the provisions of the Securities Act do not permit commercial banks, after a three-year transitional phase, to trade and buy securities.

That leaves the demand from international sources. Country funds, such as the Austria Fund, would invest a certain percentage in East European enterprises; at this time one can assume about \$400 million. However, only fractions of that amount will be invested in Hungarian shares—for lack of opportunity. The first Novotrade placement, for instance, is only for \$800,000.

So far the beginnings of a stock exchange exist only in Hungary. The exchange will officially open on 21 June with three trading days per week. Ten companies will be traded; market capitalization is less than \$1 billion and annual turnover less than \$10 million. The board of the Vienna stock exchange has made its "know-how" available and, according to Schuster, will assume a "Godfather" role toward the stock markets of the post-communist states.

Austrian Laenderbank Returns to Prague

90CH0203B Vienna *DIE PRESSE* in German
16 May 90 p 8

[Article by ho: "Cooperation with the CSFR"]

[Text] Prague (ho)—Laenderbank President Gerhard Wagner was optimistic about the political opening and

restructuring of Austria's northern and eastern neighbors in his address at the opening of the Laenderbank agency in Prague. Austria is ready, he said, to cooperate with the economic changes "by offering advice and a partnership in the spirit of a good neighbor." The new agency is supposed to offer the Czech economy financial-service expertise and to expedite the generation and management of business deals. Access to modern technology and management methods are supposed to be stressed. Hence, cooperation across the border with regard to transfer know-how, advice on mergers as well as joint ventures will be supported.

But the Laenderbank is only returning to Prague. The first Laenderbank branch was already opened there in 1894 to promote the intensive business relationships with Bohemian and Moravian industry and trade. In subsequent years the Laenderbank established 11 additional branches in Czechoslovakia and became particularly involved with financing mining, railroad construction and breweries. The bank had to retreat gradually after World War I. The head of the Laenderbank agency in Prague is the Czech citizen Pavel Linhart, a graduate engineer.

According to Wagner the Laenderbank wants to intensify its business relationships with northern and eastern neighbors and with the USSR by establishing offices at the important centers of Berlin—where an agency is already in operation—Prague, Moscow, and Ljubljana. The Prague agency is supposed to become a full-fledged branch within three to five years. Additional agencies are planned for Brno and Bratislava.

High Austrian Participation in CSFR Markets Discussed

90CH0203D Vienna DIE PRESSE in German
28 May 90 p 7

[Article by Erich Hoorn: "Austria Highly Involved"]

[Text] Prague—Austrian firms are very involved in the CSFR. "About 800 firms are active here. Since the country has opened up, interest in cooperating has risen sharply, particularly in the border regions," comments Prague trade representative Benedikt Winkler in a discussion with DIE PRESSE.

Winkler expects a further expansion of trade with Prague for two reasons: First, trade in the border regions will increase enormously; second, there will be a reorientation of Czech trade, since CEMA trade contacts were strongly promoted until now for political reasons. The CSFR had a highly favorable balance of trade vis-a-vis CEMA countries which it could not reduce.

Statistics prove how active Austrian firms are in the CSFR: Bilateral trade has reached a volume which is far more than half the volume of trade between Prague and Bonn. Austria occupies undisputed second place, after the FRG, in CSFR's trade with the West. Of the total 50 joint ventures, which Prague has signed with Western

firms, 24 are with the alpine republic on the Danube. Austrian enterprises maintain 300 agencies or branches in the neighboring country to the north. There are so many inquiries that the foreign trade office will soon have to be expanded.

Austrian firms are strongly participating in trade fairs, exhibitions and various promotional events. Contacts are also made on these occasions with various producers' cooperatives as well as local industrial enterprises such as textile or furniture factories. Austrian firms will be familiarizing themselves with goods offered for sale by this branch during this week's sales exhibition in Brno. These enterprises are also supposed to be privatized and they are authorized to engage directly in foreign trade.

Last year's Austrian exports reached 5-billion schillings, which corresponds to an increase of 6.8 percent. In view of the large number of orders, Winkler expects an increase of 10-20 percent for this year. The most important position, with 44.5 percent, is still occupied by traditional machine-tool and transportation items, followed by chemicals (26.1 percent); consumer goods account for 10 percent.

Last year's imports amounted to 6.7-billion schilling (plus 11.3 percent). Energy and raw materials dominate.

Winkler expects the planned privatization to provide new stimuli. Austrian firms will then be able to acquire an interest in Czech firms and thereby significantly strengthen ties. Leasing factories could also be of some importance. While joint ventures are still subject to approval, agencies of Western firm need only be registered.

HUNGARY

Unemployment Data Reported

90CH0181B Budapest MAGYAR NEMZET
in Hungarian 24 Apr 90 p 4

[Unattributed report: "Fifteen Thousand Persons Have Received Unemployment Benefits to Date"]

[Text] Unemployment benefits have been paid to 10,323 unemployed persons, among whom 8,200 became eligible last year and about 2,100 became beneficiaries in January. According to the new summary of the National Labor Market Center, they received a total of 30.9 million forints during the first month of the year, corresponding to an average monthly payment of 4,800 forints.

Since the 1 January 1989 introduction of the financial benefit system, a total of 14,841 persons have received unemployment benefits; by 22 January 1990 almost 5,000 persons of these were no longer beneficiaries, but only about 3,100 of them had been able to find another job; benefit payments to the others were terminated or suspended for various reasons (e.g., some of them have reached retirement age, others were denied benefits

because of refusal to cooperate with the labor offices, and benefits may also have been suspended because of child care benefits).

Under certain conditions, persons unemployed after having received unemployment benefits for 365 days may apply for extended unemployment allowances. In January, the number of persons to whom assistance was stopped was 782. This was the first period in which the reason for stopping benefit payments to 285 persons was that the maximum period of 365 days had elapsed. The summary indicates that, according to preliminary calculations, 98 of them will become eligible for extended unemployment benefits. In February, the 365-day limit was threatening about 600 unemployed persons, but the summary had no data on them. Among the new recipients of benefits there is a decreasing number of those who have general, trade, and high school educations. In recent months, the proportion of persons with degrees in higher education has decreased.

Radio Telephone Services Authorized

90CH0181A Budapest MAGYAR NEMZET
in Hungarian 21 Apr 90 p 7

[Article and interview with Akos Takacs, ministerial consultant and department head, by Janos Budai; place and date not given: "There Will Be Radio Telephone After All—Two Entrepreneurships Begin the Competition"]

[Text] In last week's issue, our article "The Silent Radio Telephone" dealt with the vicissitudes of and obstacles to developing the Hungarian radio telephone network. In the middle of this week, the Ministry of Transportation, Communication, and Construction informed the entrepreneurs interested in developing the radio telephone network of its position and decision, on the basis of which the obstacles for the initiatives of both Hungarian Telecom, Limited, and Hungarian Radio Telephone, Limited (Hungarian Telecommunications Enterprise has an interest in the latter) will come to an end. The ministry's position deemed as primary the principles that the development of the radio telephone network should not be financed by the state and that the analog and digital systems so developed should be compatible with the Pan-European digital system now under development.

The Minister Approved It

In the letter signed by Minister Andras Derzsi, frequency ranges were assigned to the two entrepreneurs. Detailed conditions for using these frequencies will be given the competitors by the Frequency Management Institute. Following that, they will have to submit a request for service concessions. They can get the concessions after complying with several stipulations (e.g., the regulations of the postal law), and a first-class bank guarantee for the entire investment from the foreign financier.

Since the stipulations for concessions are still being worked out in the ministry, applicants probably will be expected to comply with the following as well:

- The system must be developed into a national network by 31 December 1993.
- Eighty percent of the profit, originating from the system's operation and taken out of the country by the foreign partner in foreign currency, must be used by the end of 1998 for further development of Hungarian communications and various infrastructures.
- Suppliers of equipment may be selected only by bidding. In making a selection, production and delivery capabilities of Hungarian industry must also be considered.
- The manufacturer may not be an operator at the same time.

Entrepreneurs must formally apply for concession licenses by 30 June 1990. After the concession's expiration, the companies must surrender the system to the state free of charge, but they retain priority in operating the system. A fee and a security deposit must be paid for the concession, the sum and due-date of which will be determined in the concession—in agreement with the National Tax Office and on the basis of the kind and sum of the currency invested.

Stricter Conditions

Ministerial advisor and department head Akos Takacs, speaking on behalf of Andras Derzsi, provided information on the decision's background.

[Budai] In your opinion, what is the reason for having delayed the decision for so many months?

[Takacs] Frequencies are also a national treasure. Therefore, their use must be carefully planned. In addition, even within the circle of experts there is no consensus regarding the question of analog and mobile digital telephone systems. I do not believe that, even in the West, a license has been issued faster to the first applicant with the idea of building a mobile telephone system. In addition, another difference in Hungary is that while in the West the mobile systems are also meant to boost the demand of the market, here they will be used mostly to supplement the low-capacity fixed telephone network. We will have far fewer truly mobile radio telephones such as those built into cars.

[Budai] In what way is this standpoint stricter than the conditions specified in preliminary correspondence?

[Takacs] Keeping Hungary's interests in view, we set a lower limit on the profits that a foreign partner is allowed to take out of the country in foreign currency. In the preliminary regulation, Telecom, by 1995, was to reinvest 50 percent of the profits allowed to be taken out of the country in foreign currency; this has now been changed to 80 percent and extended to the end of 1998.

This, then, is a stricter condition. But the conditions for Hungarian Telecommunications Enterprise are also stricter, for state funds may not be used for building the system—and these same regulations apply to them as well. With these standpoints we wanted to achieve, to use the language of sports, a track on which each competitor could run under identical conditions. Let them line up at the starting line together and, after the pistol goes off, may the best man win. Let me add here that, since these are probationary licenses, very exact technical plans will have to be submitted for the actual licenses. Thus, there is still much work to be done.

[Budai] Is it not a concern that the new leadership in the ministry may perhaps modify this set of conditions?

[Takacs] We prepared the propositions worked out by the old (present) leadership for the infrastructure's development, based on professional viewpoints and discussions with representatives of the various parties. This is partially a guarantee that these principles are good and need not be changed. For if the decisions made now could be changed depending on who sits in the minister's or department heads' chairs, then it would mean that we did not do a good job. Let me add that the previous National Assembly only modified, not rewrote, the postal law. The new Parliament could add further modifications.

[Budai] Has there been any feedback yet on how the entrepreneurs concerned reacted to the ministry's decision?

[Takacs] We have already received a written reply from Telecom that they accept the conditions. They promised that by the end of this year their mobile radio telephone system will be operating in Budapest.

The Winner Is: the Citizen

There are a few small things to add to what Akos Takacs has related. Telecom will not build its own system jointly with the Australian firm, Bond Corporation, because in the meantime the latter has encountered financial difficulties, thanks in part to Australian banks. In its stead the American company, Contel, will join the venture, contributing not only money but telecommunications expertise as well.

On the basis of the above, it seems that the radio telephone issue will be solved. Those waiting for telephones may emerge the winners in the competition between the two companies, and then contractors and private persons with enough money may subscribe for telephone service, which will begin, at least in Budapest, by the end of this year. This correspondent is also happy about this and would like to report of still more good news.

Suzuki To Establish Plant in Esztergom

*90CH0214A Budapest NEPSZABADSAG in Hungarian
15 May 90 p 4*

[MTI [Hungarian Telegraph Agency] report: "In Japan They Picked Esztergom"]

[Text] The leaders of the Esztergom City Council have received good news from the heads of the new enterprise formed to manufacture Suzuki vehicles, who have just returned from Japan. According to them the firm has made a final decision to build a new assembly plant in Esztergom, where they will be manufacturing Suzuki Swift passenger cars.

At the beginning of the year the agreement was signed in Budapest establishing a Hungarian-Japanese joint enterprise for the production of Suzuki passenger vehicles, and already back then they had designated Esztergom to be the site of the new plant. Since that time, however, it had become uncertain whether or not it would indeed be Esztergom to receive the right to build this plant which offers so many exciting prospects. For in the meantime another five or six Hungarian cities had joined the competition to receive the right to build.

After carefully reviewing the offers submitted by these cities, the Japanese firm has decided to stay with Esztergom. This means that construction can now begin as early as the second half of the year. According to the plans, production will commence in the second half of 1992.

MNB To Issue New Consortium Bond Worth DM200 Million

*90CH0214B Budapest FIGYELO in Hungarian
17 May 90 p 1*

[Unattributed article: "Another DM200 Million"]

[Text] The next event to result from the Hungarian National Bank's [MNB] money market maneuvers will be the signing on 25 May of an agreement, under the terms of which the MNB will issue DM200 million worth of consortium bonds underwritten by the Deutsche Genossenschaftsbank to be sold on the West German market. The bonds will be sold at 100-percent face value, and will become payable after six years counting from 1990, and will earn a fixed interest rate of 9.75 percent. Participating in the consortium are 18 bluechip Western commercial banks.

The goal of the MNB's maneuvers is to raise enough money to service our international loan obligations. As is well known, our international balance of payments is such that it cannot be offered as collateral for financing the repayment of the principal and interest portions of our foreign loans.

This most recent bond issue was preceded two months ago by bond sales in Germany of a similar magnitude. These bonds have been particularly popular with small

investors, who have now over-subscribed to them by 50 percent. We should point out that back then the interest rate offered was 10 percent, in other words, this latest bond issue is one-quarter of a percent more favorable to the MNB as a debtor.

Now that the news has broken, our only question is whether or not it is wise in any financial transactions agreed to today to go with a fixed interest rate in light of the fact that the existing rates are considered too high, and are expected to decline in the long run.

One must certainly view it as a success that even after having taken such high interest risks, there continues to be a strong demand in the FRG for Hungarian bonds, particularly if we consider that Hungary has just slipped by another two to three positions on various lists which rate our country's international creditworthiness.

POLAND

Issues in Trade With USSR Examined

Currency, Exports, Fuel Purchases

90EP0627A Warsaw RZECZPOSPOLITA in Polish
18 May 90 pp 1, 2

[Interview with Dariusz Ledworowski, undersecretary of state, by Danuta Walewska; place and date not given: "Trade With the USSR, Without Myth and Emotion"]

[Text] [Walewska] Our surplus of trade with the Soviet Union is growing...

[Ledworowski] Yes, it is growing, but not mainly due to an increase in export, because in current prices it suddenly rose 5 percent. However, import dropped over 30 percent, hence the surplus. It is also the result of better prices on the articles we are exporting—machines and equipment, which are important in our accounting, and on farm products, and it is also due to price reductions on many imported commodities.

[Walewska] Do you remember the Warsaw streets a couple of weeks ago, covered with potatoes? The farmers wanted to force the government to buy potatoes as an intervention measure, but they also complained that the Russians do not want to buy them. Is it true that we cannot sell them our potatoes?

[Ledworowski] The Russians bought large amounts of potatoes from us, however this year it was like this: In the fall, there was actually a ban on the export of potatoes because it was figured that the crops were poor. This ban was removed late in February.

Therefore, the Russians bought potatoes from the GDR and brought some in from Belorussia. They paid 110 rubles per ton to the GDR. Our enterprises demanded 300 rubles per ton. And so our offer was rejected. But now negotiations are underway. The farmers are

reducing their price and agreement is now near. The final decision will be made any day.

[Walewska] Are there any articles which we would like to buy and the Soviet Union does not want to sell them to us?

[Ledworowski] Aside from petroleum, which we wanted to buy more of, the reduction of export from the Soviet Union is due to the limited demand of our enterprises. We cannot say that there are problems in connection with this because, after all, the recent troubles with gasoline cannot be blamed entirely on the Russians. When there was less gasoline, at the beginning of the year, no one sounded an alarm and no one intervened. Despite the fact that deliveries were smaller, they were adequate. Now there is a shortage of gasoline and an alarm has been raised. In any case, I am intervening in this matter.

[Walewska] Can't we buy gasoline elsewhere?

[Ledworowski] We can and we are. But we also want to buy it from the USSR because we are getting it in exchange for deliveries of our goods.

[Walewska] Beginning 1 January 1991 we intend to settle our accounts in dollars. Thus far, there has been little information on this subject. Did your visit in Moscow explain anything in this area?

[Ledworowski] One of the reasons I went to Moscow was to coordinate the terms on which we would begin to settle our accounts in convertible currencies. We see this, in the first two years, as free foreign exchange clearing at current world prices, where only a few raw materials and commodities would be of an obligatory nature. However, the state would grant licenses for the purchase of all other commodities if contracts were signed between enterprises. The balance resulting from this clearing would be covered, after a certain amount of time, in cash.

We expect that early in June the Russians will present their proposal and then we will negotiate. We have agreed that both sides will advise their enterprises to conclude all contracts for next year in free foreign exchange and in current world prices.

[Walewska] What will this change mean in the settlement of our accounts for our industry?

[Ledworowski] Many directors of our enterprises expect that the move to free foreign exchange will be a real gold mine. That they will get 9,500 zlotys for a dollar. But it will not be so simple.

In foreign trade with the Soviet Union, an extensive decentralization will take place. Only a certain part of the funds for import will be decided centrally. Only the strategically important commodities will be financed by the government. The remaining portion will be distributed to the governments of the republics, and the enterprises will receive funds from import only if they themselves are able to obtain them. We must remember that

the market is absorptive, but its ability to pay is limited. In other words, it will buy only as much as it sells. Therefore, this market will become much more difficult. Our managers must realize this even now.

Second, competition on this market will grow. Economic protocols provided a protection which limited competition. And now a Soviet enterprise, which will have to spend dollars, will give thought to offers, prices and quality.

[Walewska] In other words, the absorptive Russian market, where everything could be sold, is no more.

[Ledworowski] State trade, where everything came down to the implementation of a protocol set by the government, has ended. The exchange will be based on market principles. And whether this market will be absorptive to Polish products will be determined by how competitive these products are.

[Walewska] During your visit in Moscow there was also talk on the subject of the Jambursk Agreements.

[Ledworowski] We are building in the Soviet Union the Jambursk Pipeline and many of its infrastructure facilities. The value of the deliveries to this complex was calculated at about 930 million rubles. In the settlement of accounts we were to receive additional deliveries of gas and guarantees for the purchase of this gas to the year 2010. Our services and deliveries were predicated on commodity credits. The Jambursk Agreements were signed on terms which were very unfavorable for Poland, just as most of the similar raw materials contracts were. They were based on Soviet cost estimates, and deviated two- to three-fold from world prices. We have already suffered losses calculated at over 3 billion transferable rubles. Officially, however, we have applied for compensation for these losses, that they be deducted from our country's debt to the USSR.

We want to implement the Jambursk Agreement, but on new terms. The settlement of accounts has to be in free foreign exchange according to prices prevailing on the world market. On the old principles, we want to finish only the facilities which have already been begun. We propose to begin the construction of new facilities on new terms. The Soviet side has accepted our reservations but has stated that the construction of facilities which have not yet been begun will take place on the basis of bids. However, we have proposed that if a certain price difference ensues from the new conditions for the implementation of the Jambursk Agreements, then in order to obtain the previously established deliveries of gas, we are willing, in case we should finish all of the facilities, to cover the price differences with deliveries of other commodities.

[Walewska] In our accounts-settlements with the Soviet Union, the deliveries of Polish ships on which the shipyards lost a great deal of money, have aroused a great deal of emotion.

[Ledworowski] We have also agreed to renegotiate our contracts pertaining to ship construction. Including those which were signed a few years ago for deliveries of ships in 1991 and 1992. We have decided that there, too, we will deal in dollars and at world prices. We want our shipyards to receive advance payments—as is practiced throughout the world, and not the entire sum only after the finished ship is delivered. Thus the thorny problem of outfitting ships with dollars—ships that are later sold for rubles, will disappear. The payment will be in dollars. Of course, under this new price arrangement, the Soviet Union does have to affirm all of the contracts. But thanks to this new arrangement, the entire accounting will become clear, no one will lose on it, and the mutual suspicions should vanish.

[Walewska] Mr. Minister, I understand, therefore, that we will now trade without myths, without emotions, without insinuations, and as I see it, we remain an attractive partner for the Soviet Union.

[Ledworowski] The Russians clearly underscore this. They expect that Poland will enlarge its offer. The reduction of certain of our deliveries, particularly machines and equipment, is strongly felt by the Soviet side. The problem is, will the Russians be able to buy from us and will we be competitive.

[Walewska] Thank you very much for the interview.

Transferable Ruble Elimination

90EP0627B Warsaw RZECZPOSPOLITA in Polish
29 May 90 p 2

[Article by Danuta Walewska: "Death of the Transferable Ruble; The Dollar Will Tell the Truth"]

[Text] This verdict is irrevocable: On 31 December 1990 the transferable ruble will die a natural death. During the next two-three years our settlements of accounts with countries belonging to the former first payments area (nonconvertible currency countries) will certainly be heterogenous and difficult. But all of these countries, just as Poland, will be striving for an ideal, i.e., to conduct trade in convertible currencies and at world prices.

Thus far, our trade with first-payments area countries was based on protocols and long-term agreements, i.e., it was centrally controlled. Now all decisions on economic cooperation with post-communist countries will be made autonomously and deliveries of goods and services will be negotiated by enterprises which will themselves establish the prices and other economic terms of the contracts being signed.

However, the enterprises which until now have lived off trade with CEMA countries will not suddenly be plunged into deep water. In the Ministry of Foreign Economic Cooperation [MWGzZ], an interministerial task force

dealing with the mechanism of cooperation with first-payments area countries was formed under the leadership of the undersecretary of state at the MWGzZ, Dariusz Ledworowski.

The members of this task force, at a conference held in Warsaw on Monday, 26 May, informed the directors of exporting factories as to the status of the work on the changing conditions of trade with CEMA countries and the new tasks for the exporting factories which stem from this.

These factories must now negotiate new agreements which will define the terms of trade with the countries of this area. The enterprise directors should take advantage of the approaching Poznan trade fairs to hold talks about future contracts. The agreements and contracts should be recorded as soon as possible and independent action should also be begun. In settling accounts, the immediate-payment invoice must be discontinued as quickly as possible. Contracts extending beyond 1990 must be renegotiated.

All of our accounts-settlement with CEMA countries will be complicated by these changes in conditions. We have a favorable balance of payments with many of these countries. In our exchange with the Soviet Union and Bulgaria it is on the order of 1.8 billion transferable rubles. We do not know yet what our settlement of accounts with the GDR will be. We owe money to Romania, but there is a real possibility that our debt will be paid by the end of the year. Only Hungary is watching all of our accounts closely to make sure that our payments are current.

If we begin to act immediately, the representatives of the interministerial task force said at the conference, the effects of the changes may prove to be much less painful than if we were to awaken on 1 January 1991. Monday's conference was not the first in this series. The previous one was held in March.

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Things will be normal, just as they are throughout the world. But we know that this normalcy does not come about overnight. For many enterprises which all through the years survived off export to the Soviet Union, often not caring about the quality and adherence to delivery schedules, the good times have ended once and for all. Maybe for a while yet, as clearing is being adopted, the Soviet contractor will accept those of our products which do not meet world quality standards. But later, when he has to pay world prices, and in world currency, he will think about whether he can get better or cheaper goods somewhere else.

"We are afraid that our export will collapse," say the producers today. "For so many years we specialized in production for the Soviet market. What will we do if our former customer does not buy this from us now?" And although the MWGzZ people maintain that the Soviet side, as well as well other post-communist partners, are saying that they will continue to be interested in buying from former suppliers, even at world prices, other producers are facing the possibility of bankruptcy. It is late

already, but maybe it will be possible to update and reorganize production to make our products competitive. There is no other solution.

Farmers' Negative Reaction to Marketization 'Only Temporary'

90EP0631A Warsaw RZECZPOSPOLITA in Polish
28 May 90 pp 1, 2

[Article by Edmund Szot: "The Agricultural Market at the Moment of Its Birth"]

[Text] The market for agricultural consumer products in Poland currently finds itself in just such a state—in the moment of its birth. The birth of the market is painful. In addition, the woman giving birth (the economy) is not in the best state either. The godmothers by the bed are not the most friendly either: "You'll see, you will give birth to a monster!"; "There was nothing better to spend?"; "You can still strangle it"....

The results of these arguments are obvious. In an opinion poll of the Central Office of Statistics, 54 percent of farmers answered that the marketization of the food economy is on the whole unprofitable. What is sadder, the percentage of negative answers grows as the farming area grows. The highest percentage was in the group of farms larger than 15 hectares. One should not overestimate this, but one has to notice it.

Why has marketization turned out to be unprofitable for agriculture? Two factors have converged here: the relation between the prices of agricultural products and the costs of productive inputs have worsened, and a drastic decline in the demand for food has occurred. Probably for the first time since the war, farmers are beginning to have trouble selling their products.

Also, changes have taken place in the profitability of particular areas of production. Farmers believe that it is currently more profitable to sell grain and potatoes than to fatten their animals on them. However, in animal production, hog-breeding is more profitable than cattle breeding. The production of milk has gotten especially low, and speaking frankly, it is ordinarily unprofitable. The deep decline in the consumption of milk and milk products is, however, a reaction to the exceptionally senseless subsidizing of these consumer items in the past.

The farmers polled believe that in order for agricultural production to be profitable, the purchase prices have to rise (in comparison to the prices from the first ten days of April of this year): in the case of hogs for slaughter, by 20 percent; calves for slaughter, by 66 percent; milk, by 91 percent. How much food products would then cost is not difficult to calculate. Moreover, what sense would it make (according to the rules of a market economy) to raise the prices of products which are already difficult to sell?

Prof. Włodzimierz Kaminski, the director of the Institute of Agricultural Economics and Food Industries, maintains that it is not without reason that the fate of the

farmer depends on the consumer's billfold. However, when he tried to give voice to this thesis in the past, he was seen as a renegade, because Marx had apparently written that consumption should not be an object of economic interest (as published!).

The whole obstacle in this is what should be done now, so that the increase in the population's purchasing power will come to fruition in the growth of production and not in the raising of prices—in short, so as not to fall again into the nightmare of inflation. This is a fundamental question for the entire Polish economy, including agriculture. Let's remember that the economy is in large part still monopolized. The role of a disciplining tool, such as competition, therefore diminishes.

The deputy minister of the domestic market, Marek Borowski, sees here an opportunity for foreign trade to display its talents. The producer who demands too high a price can fashion a whip for his own back from cheaper imports. Some processing enterprises, moreover, have already begun to do this. It turns out that in spite of customs charges, it is profitable to import sides of pork from the GDR. It may be that this is the result of various forms of agricultural subsidization in the GDR. For the Polish farmer, however, this should be a warning: cheaper producers may already be found abroad!

"Indeed, the purchase prices of hogs for slaughter in Poland are already approaching world prices, which oscillate between 82 cents and \$1.40 per kilogram," says the deputy minister of agriculture and food industries, Michal Wojtczak. "Prices for slaughter cattle, and especially milk, are still lower than world prices. However, these are proportions that are in any case more profitable than in the case of prices for productive inputs."

In the West, for example, in the FRG, a one horsepower tractor costs from DM800 to DM1,000; in Poland, around DM200. Thus, even introducing a correction for the undoubtedly lower quality of our tractors, the Polish farmer should come out ahead anyway.

And yet, he does not come out ahead, which is testified to by the undertaking of protest actions time and again.

Where does the cause of the unprofitability of Polish agriculture lie? It seems to me that one of them is the great labor intensiveness of agricultural production in Poland. It is interesting, for example, that farmers believe grain production to be more profitable, while prices here diverge further from the level of world prices than in the case of hogs for slaughter. This is a result of mechanized grain cultivation. Seventy percent of the grain harvest takes place with the use of combines, whereas the mechanization of animal breeding is still in swaddling clothes. For while mechanization of harvest, even of a small area, pays, it does not pay to buy milking machines for three cows.

Thus, no matter what side one takes, one comes to the conclusion that in Polish agriculture, one should strenuously aspire to increase the scale of production. The reaction of the larger farms to marketization, which is for

the time being negative, is transitory. Because, with time, precisely these farms will profit the most from it.

Tax Breaks for Private Businesses Summarized

90EP0629B Warsaw RZECZPOSPOLITA in Polish
23 May 90 p 2

[Article by Krystyna Chrupkova: "Good News for Private Businesses"]

[Text] Any day now the regulations which will surely interest hundreds of persons, and definitely those who want to open up their own business, will go into effect. We are referring to the order from the minister of finance on sales and income tax exemptions for taxpayers obtaining income from certain types of newly established economic activity. This law will go into effect on the day it is published in the Legal Gazette. For now, we will summarize the more important provisions of this still-unofficial document.

Sales tax and income tax will not be paid by individuals and non-commercial partnership companies on receipts from newly established economic activity:

- for one year, if this activity is trade, including wholesale trade, of commercial articles, with the exception of peddling or mobile trade.
- for two years, if this activity is

a) trade, including wholesale, of food articles, agriculture, and horticultural, with the exception of peddling or mobile trade and sales of flowers and beverages containing more than 4.5 percent alcohol;

b) the operation of restaurant establishments in which beverages not containing more than 18 percent alcohol are sold, hotel establishments, camp grounds, and tourist homes;

c) veterinary services;

d) services connected with meat processing;

e) services and production (with the exception of transport and recreation services and those in the health-service area) which fall within the scope and the size of employment defined in separate regulations governing the payment of sales and income taxes according to a tax chart.

- for five years, the production of energy in hydro- or wind-power plants; the production of biogas.

They will not pay these taxes (the exemption does not apply to sales taxes collected by customs offices), if they meet the following conditions:

1) establish one or more of the types of enterprises described above by 31 December 1990;

2) in the last three years did not conduct economic activity, including any based on a commissioned order or agency contract, with the exception of activity involving the operation of a hydro- or wind-power plant and the production of biogas (this provision does not

apply to taxpayers whose receipts from the activities were exempted from sales and income tax without a time-limit, by virtue of separate regulations); and

3) are not also conducting other economic activity (this condition does not apply to those operating hydro- and wind-power plants or producing biogas).

The conditions described in paragraphs 1) through 3) apply directly or respectively to the spouse of the taxpayer, and in the case of a company to all partners and their spouses.

The day of the beginning of activity is considered to be the day on which the sales began.

Should the legal form of the enterprise (establishment) be changed during the period of exemption into a non-commercial partnership company, or a new partner join such a company, the exemption from taxes for the remaining portion of the period (five-year, two-year, or one-year) will also apply to the new partner, obviously if he meets the conditions described.

If an interruption, lasting at least two months continuously, should occur in the conduct of economic activity (sickness, maternity leave, call-up for military drills, natural disaster or other act of God), the period of exemption from taxes is extended by the entire period of interruption.

Of the other important provisions, it is worth mentioning that the establishing of activity on a vacant site or in an accommodation (building) acquired, leased or accepted for use on the basis of some other reason is not considered to be establishing a new activity if on this site or in this accommodation (building) in the last three years there was conducted this same type of production, service or sales activity. But if this activity (under these conditions, on this site) was conducted by an organization of the socialized economy, then the obstacles do not exist and this will be deemed to be newly established activity.

It will also be considered new economic activity if it is in an establishment acquired from a taxpayer who is retiring on a pension or annuity, by a person who is conducting this activity for the first time in his own name and is not a member of the family of this taxpayer.

These, in brief, are the most important provisions. We will publish the entire text of the order very soon in the column on law.

Personal Income Tax Changes Previewed

90EP0629A Warsaw GAZETA WYBORCZA in Polish
18 May 90 p 3

[Article by Joanna Strzelczyk: "Everyone Will Pay"]

[Text] Beginning 1 January 1991, a new, universal tax on personal income will go into effect, patterned after the tax collected in developed countries. At the same time, the income tax on wages, salaries, and compensation, as presently constituted, and the tax on wages paid by the

enterprise will be discontinued. This means going from a system of net wages to a system of gross wages.

The tax will be paid on income regardless of its source (e.g., work in return for wages, the conduct of economic activity, pensions or annuities, independent-contract work, monetary capital, and property rights).

How Much Will We Pay?

The draft law on income tax provides that on an income of up to three times the national average wage in 1990, a 20 percent tax will be paid. On the excess of the income over three times the average wage to six times, a tax of 30 percent will be paid, and on the excess over six times the average wage, 40 percent tax will be paid.

According to the present Ministry of Finance drafts, the tax on income up to 36 million zlotys a year will be 20 percent. In the 36-72 million bracket it will be 7,200,000 plus 30 percent on the amount over 36 million. The tax on income over 72 million a year will be 18 million plus 40 percent on the amount over 72 million.

From the tax calculation base (i.e., the amounts given above) for people who derive their income from wages, a deduction of 720,000 zlotys will be made from the income to compensate for the costs of deriving this wage (e.g., commuting costs). Then, from the tax already calculated, a deduction of 480,000 zlotys would be made. Both these deductions mean that actually the tax will constitute a smaller portion of the income than previously stated. For example, the tax on an income of two million zlotys derived from wages monthly would be 17.4 percent, on an income of four million it would be 21.1 percent, and on six million, 38.4 percent.

Married Couples

Married couples can apply to have their incomes taxed jointly. Then the tax that both of them owe will be the total of the tax calculated on half of their joint income. In other words, if one spouse earns one million monthly and the other seven million, the tax would be figured at double the amount of the base of four million. If one of the spouses earned four million a month, and the other does not work, the tax would be the double of the amount on two million. This reduces the size of the tax burden from 21.1 percent to 17.4 percent (after deducting 720,000 zlotys from the income and 480,000 zlotys from the tax).

The tax on dividends and income from bonds will be 20 percent. But this will not apply to bonds which have already been issued. In 1991, savings deposits in banks will not yet be taxed.

Declarations and Reports

The draft provides that all those whose only source of income is from work in one plant will submit declarations. The plant will collect the tax in advance by making a deduction from wage and salary payments. It will then make an annual accounting. Everyone else will submit a tax report at the end of the year to their treasury office.

The tax reports have to be made by 31 January 1992, and if accounts books are maintained, by 30 March 1992.

There will be a few exceptions from this taxation rule. They will apply to incomes which can be taxed at their source. Tax on stock dividends is an example of this type of taxation.

There Will Be No Loss

"The basic assumption is that when the tax goes into effect no one who receives wages or salaries will receive less, after the tax is deducted, than he or she would receive if there were no tax at all," Mrs. Danuta Demianiuk, director of the tax department in the Ministry of Finances, assures us. A similar rule will apply to pensions and annuities.

Labor: More Group Dismissals Seen, Placement Offices Not Established

90EP0611A Warsaw *RZECZPOSPOLITA* in Polish
7-8 Apr 90 p 2

[Article by Joanna Trepkowska: "A Labor Market Without Facilities"]

[Text] The present unemployment is only a portent of what awaits us. The almost 270,000 people registered in the employment departments and labor offices constitute 1.5 percent of the 17 million people of working age. In the market economy countries—and after all, that is what we are striving for—from 3 to 20 percent of the people in the working-age bracket are without jobs. Many economists believe for a healthy economy a five percent figure should be maintained. World Bank experts share this opinion. It is not difficult to calculate that under our conditions this would be at least 850,000 people without jobs. The forecasts, depending on who makes them, speak of 400,000 to 1 million jobless by the end of the year.

Dismissals of workers in connection with the restructuring of industry will not occur until the coming months. It is interesting that among today's unemployed, scarcely 5 percent are those who lost a job as a result of dismissal from a plant. Most of the applicants for benefits are primarily women who have not been employed recently and who do not intend to work at all in the immediate future, but simply want to take advantage of the ability to obtain a additional income. The fact that two-thirds of the 92,000 benefits paid were in the lowest wage bracket tells us that they were received by those who had not been officially employed anywhere.

But more and more workplaces are reporting group dismissals. From the information received by the employment offices it appears that by the end of June,

3,000 plants intend to dismiss over 111,000 employees, primarily in the most industrialized regions—200 enterprises in the Warsaw voivodship are getting ready to dismiss 12,500 employees; 200 plants in Katowice voivodship, 2,000 employees; 154 firms in Bydgoszcz voivodship, 4,200; and 124 plants in Krakow voivodship, 5,000 employees. This may be taken as a sign that the large workplaces are beginning the restructuring process. The largest number of dismissals will be made by the M. Kasprzak Radio Factories, 11,000; "Społem" General Consumers Cooperative in Gdynia, 1,040; and the Mining Jobs Plant in Myslowice, 800 employees.

Meanwhile, the labor market today is extremely ill-equipped to deal with this. To provide services for the hundreds of thousands of jobless there must be an efficiently functioning labor office with accurate information as to offers, capabilities and conditions for retraining the dismissed employees, as well as credit and legal assistance for those who decide to undertake economic activity or services on their own.

The labor offices which have been formed for this purpose are still in the organizational phase. In 12 voivodships, regional offices have not yet been set up, and in 11 voivodships it has not been determined who will manage the voivodship offices. At the end of last year, the employment services had only 2,000 employees, and the needs this year are twice as great. Right now there is a shortage of everything—office accommodations, technical equipment, and even job positions.

In the opinion of the labor ministry, the government should require the voivodes and the mayors of the cities to speed up the setting-up of labor offices. Attempts are underway to obtain foreign assistance. With the help of the International Labor Organization, labor offices have been equipped in the Bydgoszcz, Gdansk, and Lodz voivodships. The United States, the FRG, and Sweden have offered similar assistance for some voivodships.

The employment services are already calling attention to the need to make changes in some laws dealing with the alleviation of the effects of unemployment. First of all, the requirement should be introduced that all job vacancies must be reported to the labor offices, that employment benefits will not be paid to persons who never worked or quit their jobs in their last place of employment, that all those who have worked for a specified number of years can retire, as well as those who lack 5 years of service until retirement. The minimum unemployment benefit also needs to be increased.

Although unemployment is becoming a fact, we are still not prepared to "service" it. There is also a great deal of resistance to retraining or to working independently, on one's own.

POLAND

Problems Facing Higher Education System Viewed

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[Article by Zbigniew Zmigrodzki: "And the Wine Is Sour, and the Dishes Not New...About Universities, Degrees and Regulations"]

[Text] In the face of the political changes which have taken place in Poland, the passing by the Sejm of new laws on higher schools and academic titles, intended to regulate the situation in such an important area of social life, has been recognized as one of the most urgent tasks. During discussions on this subject it was stressed that the outdated system of granting permanent academic teaching posts on the basis of acquiring two consecutive academic degrees, which takes in an individual's most productive years, hinders the development of research and didactic activity since the main goal of an academic employee thus becomes securing for himself an equitable existence in the community and not augmenting knowledge in the field which he has chosen as a specialty. It was also suggested that two professor's ranks be eliminated, i.e., that of full professor [profesor zwyczajny] and associate professor [profesor nadzwyczajny]—a policy discarded long ago in most countries of the world as one that complicates and delays the progress of the academic worker and one that causes unfavorable circumstances in the community.

However, the bills prepared by the ministry of higher education and submitted to the Sejm did not fulfill expectations. A significant majority of academic workers—educators and particularly teaching assistants and lecturers did not manage to acquaint themselves with the proposals contained in the provisions which were presented in several versions (in at least four and it is said that in as many as six). However, as a rule, only the first two made their way to college and university institutions outside of Warsaw. At the same time, few copies of the text were available. Thus, taking into account the brief periods of time allotted for the formulation of opinions by the councils of various departments and senates, the possibility of the broader participation of the academic community in the way it is to be shaped was nearly totally closed. Thus, students demanding their right to participate in the discussion were right, after all.

Not much could be learned about the content of the documents submitted to the Sejm. However, disturbing conclusions are derived from scant press reports and rumors: the main obstacle to the successful growth of higher schools—the overly developed hierarchic ("feudal" as it is sometimes described) structure of academic posts—is to remain. To make things even more odd, associate professors from the group of present docents with permanent posts are to be employed on the basis of contracts, most likely so that they will not feel

too sure of themselves in their role. The fate of assistants and lecturers, about which nothing specific is known, is to be no better than it has been thus far. Let us hope that the deputies or senators will display good judgment and will give the provisions of both laws a form that will fulfill both social expectations and living requirements.

However, we cannot help but have bitter thoughts that an excellent, unique opportunity has been wasted of conducting an overall evaluation of not only the state of organization of higher schools, teaching programs, etc. but also of the moral attitude of the community and academic educators' ethos. Above all, the implementation of the social goals of academia and its real impact on the standard of all areas of life depends on these two factors to a significantly greater degree than on any others.

In this respect, the situation is not and cannot be good even if someone were to try to earnestly hide this fact by limiting discussions on higher schools to the issue of which groups the school senate is to represent or what it is to decide about or whether entrance exams should be conducted in conjunction with secondary school certificate examinations. At first it seemed that there was hope in the "Universitas" movement whose task was to return to the noble academic and moral traditions of universities of old. This would be realistic if this movement were to develop under the banner of authentic community democracy. Unfortunately, it has become yet another representation of professors whereas younger academic workers, who were initially interested in it, have become disenchanted.

Things should be stated openly once and for all—something which is a must—if institutions of higher learning are to preach the truth and serve it, above everything else. In Poland, for 40 years access to an academic teaching career was strictly tied to party membership and a significant number of holders of academic posts obtained them by this very means.

Advancement in rank frequently meant renouncing the truth and moral values: this bore fruit in the form of biased monographs, distorted textbooks, elimination of colleagues and competitors by "political" means; certain doctorates and advanced academic ranks for some made excessively difficult were made exceedingly easy for others; as well as accelerated professorships or a never-ending wait for an [academic] appointment.

In secondary schools there exist groups of people who almost constantly hold various "functional" positions: upon completing a term at one post, they take over another. The 1970's tied managerial functions of scholars to material benefits: coupon cards for the purchase of automobiles, autocratic control of financial resources, foreign travel, etc. So far, things have not changed very much in this regard. Unfavorable customs also prevail of preferential treatment by academic decisionmakers of only certain research areas and fields of

study most frequently related to their own specialty with the concurrent debasement of others.

It will take many years before higher education in Poland can regain its reliability and genuine social trust. No attempts at persuading the public that this community is different and that it is superior to others in terms of ethics will help. Hope should be placed mainly in the young academic workers who in recent years have been able to obtain assistantships owing to genuine talent and qualifications to a greater extent than had been the case until 1980.

That is why the urgent need to counteract inclinations toward the further continuation of so-called "Trenches of the Holy Trinity" [Okopow Swietej Trojcy]—"class" divisions in the academic community is so important. "A professor talks only to a professor, sometimes out of generosity he will utter something to a docent; a docent will at times chat—if he is in a good mood—with a lecturer and barely glance at an assistant; only a lecturer will sit down next to an assistant because one and the other carry no importance whatsoever." There is a lot of harsh truth in this statement particularly if someone still remembers the university setting of the past, if only from 1945 to 1948. This is where we see how far we have gone in the wrong direction.

Attention should be called to one more important factor which played a decisive role in the recruitment of academic-teaching personnel to institutions of higher learning. Even someone with a questionable reputation could become an assistant as long as he was not a believer [Christian], i.e., a "clericalist." A most gifted student who was photographed at Jasna Gora (some of the student's school chums occupied themselves in doing this) lost all chances of work at the university and his professor's interventions were of no avail here (it was enough just to mention the "accusation" against him and most of the professors would immediately lose all interest in the case). On the other hand, recommendations for advancement of others would read: "deserving of the appointment because he represents a scholarly outlook (secular). In this way, the higher education system was being deprived of people with a sense of personal and professional ethos who owing to their moral values could have had a positive influence on the formation of appropriate behavior of students and the later comprehension by them of responsibilities toward society.

One of the most crucial problems is the situation of students. Deprived for years of independence both in secondary school and at the college level, they are incapable of using higher education in a consistent and sensible manner. Protests and demonstrations come the most easily for them whereas normal, consistent work in social organizations or academic circles is considerably more difficult [for them]. The noticeable demoralization of a considerable segment of the youth population as a

result of the spread of consumer attitudes, an unsettled lifestyle and the preference for material values is not conducive to this work.

Some students and even their parents are alarmed by the atmosphere that prevails in student dormitories especially in large cities. Years ago, in combatting tradition in which "clerical backwardness" was perceived, separate housing for female and male students was replaced with coeducational institutions, thus complicating the living conditions of their occupants and in many cases creating lamentable situations. As a result of nightly carousing, loud music as well as brawls, it is difficult to study and impossible to rest properly.

Student councils that are supposed to supervise are, as a rule, only fiction—frequently their role is based on protecting perpetrators of offenses. Administrative workers claim that proposals of sanctions are ignored or dismissed by college authorities. What is worse, lately student organizations here and there have forced out the giving up of control over outside visitors who spend time in the student dormitories at all times of the day and night as a result of which residents wishing some peace and quiet (particularly female residents) must lock their room doors even during the day.

From time to time, we read in the paper about the need for reforming higher education programs. However, is this the most critical problem? There is no need to depart from the current forms of university instruction. They should only be implemented properly. The high standard of lectures determined the success of the old universities—the most highly acclaimed ones. Professors combined extensive and thorough knowledge with an effective form of expression; they were also treated with great respect while representing high moral authority. Today, the situation varies: quite often independent academic workers turn over lectures to adjunct lecturers while they themselves travel abroad, take extended vacations and at the very most engage only in conducting master's degree seminars. One of the reasons for this is low wages whereas another is the general disregard for academic instruction. Only scholarly publications count (and in any case, it is difficult to examine their quality accurately) and multiply under the slogan "publish or die" (this comes from foreign colleges and universities where the situation is similar). Therefore, it does occur that people totally lacking didactic talent and not caring to compensate for it, at least partially, with enthusiasm advance successfully along the road of an academic career. There is no time for students: on the part of professors because they are spending time on out-of-town trips, vacations or performing various functions (not infrequently, they also lecture in several colleges or universities); on the part of lecturers and assistants because the sword of Damocles hangs over them constantly threatening in the form of "rotations" which in Poland's circumstances signifies total disaster. Resourceful legislators also plan to hang it over the heads of professors.

Are students being wronged? Recently, publications have again been multiplying whose authors are lamenting over the fate of [school] students as overworked by their studies and oppressed by their instructors. In reality, a growing number of [school] students disregard their schoolwork counting on the currently popular liberalism and the commonly known fear of the school administration of failing marks and students repeating grades, thus spoiling statistics. Practically nothing is being written about [college] students and they themselves are very cautious in their remarks (except for strike banners) about their school. Unfortunately, only a part of the students take their studies seriously whereas a more in-depth interest in their major is a very rare occurrence. Those student academic clubs that bring concrete advantages or offer exceptional attractions (geographers', film connoisseurs clubs) do well. Lectures and discussions, new perspectives and publications do not interest many unless the meetings involve the participation of well-known foreign guests, scholars or authors.

It is regrettable that the thus far very limited social discussion on the problems of the higher education system in Poland (it is a misconception on the part of the ministry to describe the discussion as broad), which is geared primarily toward administrative-organizational issues, has overlooked important problems involving academic teaching and study ethos and related issues of a college instructor's personality and ethical stance. It appears as if this has been forgotten in numerous discussion meetings on various subjects. Meanwhile, if academic instruction is to bring the desired social effects, it cannot be reduced to only the skillful organization of conveying knowledge. The university like every other institution of higher learning is in essence the concretization of a traditional model of academic unity—*universitas*—and should shape the personality as well as the mind of its students in an atmosphere of comradeship, respect for human dignity as well as a sense of moral responsibility on the part of instructors and students toward truth.

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